Daily Report

East Europe

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FBIS-EEU-95-124 *28 June 1995*

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Romania's Iliescu on Talks With Hungary's Horn

AU2706155295 Bucharest Radio Romania Network in Romanian 1300 GMT 27 Jun 95

["Exclusive" statement by Romanian President Ion Iliescu following talks with Hungarian Prime Minister Gyula Horn in Cannes on 27 June—recorded]

[FBIS Translated Text] Our talks were positive and constructive. I would especially like to emphasize that both of us commented—and this was not the first time—on the image that has been created [words indistinct], which is being insistently fuelled by certain people—namely, that there are conflicting relations between Romania and Hungary. This is incorrect and inexact and does not correspond to reality. I repeatedly said this, as did Mr. Horn. We assess our relations as being good-neighborly. Our economic relations are quite developed, and it is in our interest to further them. Among all our neighbors, Hungary is our principal economic partner. We have cultural as well as interpersonal relations, as there are no more difficulties on the borders and people can travel back and forth without any problem on either side. Even in the military field, we initiated the Open Skies [Agreement], which precisely clarified that our relations are based on mutual confidence, relations we will continue to support.

Work on the basic treaty is currently at a standstill—the main problem is whether to include [Council of Europe] Recommendation 1201. As far as we are concerned, at that time we considered the recommendation as one of the many such recommendations. The figure 1201 means that there were 1200 other recommendations issued by the Council of Europe. But those recommendations can be regarded as juridical documents that are finalized in a certain way, whereas Recommendation 1201 merely suggested to the Council of Ministers to finalize three documents: the Framework Convention [on the protection of ethnic minorities], which was signed by both our countries; the Accord on the Regional and Minority Languages, which was also accepted by both countries; and a protocol, which has yet to be worked out, on the cultural rights of ethnic minorities. We see no problems here, and we actively participated in their elaboration.

At the same time, the recommendation mentions certain principles that have all been included in the Framework Convention. Therefore, we did not deem it necessary to reiterate Recommendation 1201 in the treaty. However, the Hungarian party insists on this for one simple reason: It wants to include two articles that we never accepted or will accept and that have not been taken over by [word indistinct]. Those articles could lead to various distorted interpretations, as things that already happened—for instance, regarding collective rights, special status, or ethnic-territorial autonomy—that is, things that are not acceptable by anyone on the European plane.

This is why we tried to formulate—as both parties are submitted to pressure to include or not include the recommendation—so we suggested a series of proposals that could be accepted by both states and ratified by both parliaments.

We agreed that the two foreign affairs ministers should meet in the first half of the month or at least in the first few days, so that a solution acceptable for both parties could be given the green light.

I think this is a positive outcome. Our talks were positive and constructive, and I think that [words indistinct].

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'Silent War' Alleged Between Berisha, Meksi

AU2806080195 Tirana KOHA JONE in Albanian 27 Jun 95 p 3

[Article by Emin Barci: "Berisha and the National Intelligence Service Against Meksi"]

[FBIS Translated Text] The case of the RILINDJA DEMOKRATIKE journalist Filip Cakuli, whom the forces of the National Intelligence Service [ShIK] detained for more than 12 hours, has now transcended the question of the limits to press freedom to become a problem among those governing the state. It has first of all been silently reflected in the relations between the state's number one and number two, President Berisha and Prime Minister Meksi. It seems that the president, together with ShIK Chairman Bashkim Gazidede, are on the trail of the prime minister himself and of some ministers whom the press has labeled as opposing Berisha within the Democratic Party [PD], the government, and the state. The most recent evidence of this is in the nature of the questions put to journalist Filip Cakuli. Among other things, he was asked about his relations with Prime Minister Meksi, Interior Minister Musaraj, and PD Deputy Mitro Cela. Meanwhile, another journalist from HOSTENI was asked about Cakuli's links to Meksi, Musaraj, etc., and about what Cakuli had said about their exploits. Interior Minister Musaraj knew nothing about Cakuli's detention. On the day when the journalist was detained on premises controlled jointly by the police and the ShIK, the minister was looking for him among the police stations of Tirana and received from the police nothing but denials of Cakuli's detention. Moreover, not even Prime Minister Meksi was informed, even though, on the basis of the law on the operation of the ShIK, it is necessary to notify both the president and the prime minister. The journalist Cakuli is now a popular figure, meaning that it is unlikely that the ShIK acted on its own initiative and without the knowledge of the president. If the president was informed, Meksi should have been told, too. However, there was no way this could have happened, because the detainee was himself questioned about the prime minister. There is a silent war being waged by the president and the ShIK against the prime minister and other PD personalities. There have been open conflicts before, which the press has followed. It now seems that the PD has recovered from the failure of the referendum for the constitution. However, Berisha has been told frankly and to his face that he himself is to blame for the failure of this referendum. Berisha's spite over this problem found expression in the expulsion of the "prodigal" Eduart Selami from the party leadership. However, it was noticed that Prime Minister Meksi was one of the senior state figures least in evidence on rostrums during the referendum campaign. The PD identified one of the reasons for its failure in the government team. Other reports state that a long and very bitter debate has taken place between the prime minister and the president over dismissals from the government and the appointment of new ministers. Such a thing has also been reflected in the PD's parliamentary group, which put all those criticized for incompetence and corruption on the list of dismissed ministers. However, the results of January's struggle between the president and the remainder of the PD are now known, We now know that Berisha had the intention of bagging two big birds in February.

As the election campaign approaches, Berisha's calculations become ever more difficult. However, his greatest dilemma will be what to do with part of his present government team, starting with Prime Minister Meksi.

Arms Plant Thefts Cause Ministry 'Scandal'

AU2706134095

[FBIS Editorial Report] Tirana KOHA JONE in Albanian on 21 June on pages 1 and 2 carries a 600-word report by Emin Barci entitled "Scandal in the Polican Arms Plant—3 Million Dynamite Capsules Stolen." According to the report, this was the second theft within three months at the plant. The staff detained and later arrested the first time around had been accused of stealing scrap brass. This time, 10 civilian guards and four soldiers were suspended from work and detained after 35 boxes containing 3.17 million dynamite capsules valued at $125,000 were found to be missing. All the detainees were subsequently released except two, who remain under arrest. Plant Director Myfit Bregu says that the stores are still being checked and that a special military team from Tirana is carrying out the investigation. According to several of the detained civilian guards, they were treated brutally by the police. "You can see bruises on the body and feet of one of the soldiers even today, and the civilian guards are also bruised," the report continues. It goes on: "Officials who prefer to remain anonymous say that the incident has been reported to the highest government levels and that the presidency is calling for the problem to be investigated thoroughly." The report goes on to quote Alfred Lulai, head of the Polican workers' confederation and vice chairman of the Plant Defense Federation, as saying: "Only the small fry can be found in Polican; the real sharks are in Tirana." He believes that the investigation is merely a smokescreen to conceal previous thefts. The report concludes that this is "the latest scandal in the structures of the defense ministry. After Vela Luka, the vessel Sotirios, arms deals, and the $360,000 scandal, we have another enigma at the institution headed by Zhulali. Last night, all Zhulali

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could say to KOHA JONE was: 'I don't know anything about the problem. Go and ask the plant director.'"

Defense Ministry Officials 'Censured' After Audit

AU2706111695 Tirana GAZETA SHQIPTARE in Albanian 21 Jun 95 p 3

[Unattributed report: "'Misappropriation' in Defense Ministry Offices; Defense Minister Censures 14 Officials"]

[FBIS Translated Text] "The Defense Ministry has acted according to the law; it has even openly censured 14 of its high officials." This is what the State Auditing Commission says after a detailed audit of the Defense Ministry. The MEIKO enterprise [Defense Ministry's import-export company] and several military units were also audited.

What the specialists said in reply to the delicate defense questions was: "Budgetary expenditures have been made in conformity with the law and the state budget." The document says that the state budget covered only 64 percent of the Defense Ministry's requirements, and that, therefore, some of the reserves and aid offered by foreign armies was also used. Only in 10 cases did the Defense Ministry apply fines. The finance section was the first to be inspected by the auditing commission, which discovered just a few minor shortcomings such as "the absence of the pension and social insurance book, no standard price listing of equipment, and a $45,000 withdrawal that had been made by MEIKO not through a bank." All these are included in the auditing commission's final document.

However, before the commission specialists started their inspection, the Ministry itself had set up a control group of its own, after which all the irregularities were redressed and drastic measures taken. This minicontrol group within the Ministry issued a statement, which was signed by Minister Zhulali, censuring 14 top officials. The document also points out that "for irregularities in the purchase of vehicles in Bulgaria in 1990, the defense minister dismissed and sued the former [MEIKO] director." It also stresses that the minister won his case against the Bulgarian side and was awarded damages of $364,000.

The Defense Ministry has taken appropriate measures to remedy all the problems that have been extensively discussed in the press, the document says. The state auditing commission has taken only a few disciplinary measures against the Ministry personnel for minor irregularities.

PS's Ruci Accused of Burning 'Terror Lists'

AU2806075995 Tirana GAZETA SHQIPTARE in Albanian 24 Jun 95 p 3

[Article by E.L., including interview with Servet Pellumbi, PS deputy chairman, by E.L. in Tirana on 23 June: "New Scandal of the Dictatorship Breaks—Here Are the Incriminating Documents"]

[FBIS Translated Text] A document discovered accidentally and then published in the press has caused the outbreak of a new scandal of gigantic and unexpected proportions concerning the crimes of the communist dictatorship. This scandal has provoked bitter arguments. Dozens of people from Mirdite District mentioned in the "terror lists" are now enjoying a second lease on life, after having been destined for liquidation in the event of war as recently as 1991. According to an authentic document saved from the furnace of the former Interior Ministry, dozens of people including foreign citizens and communists were allotted a tragic and still mysterious end. The latest scandal published in three successive issues of TRIBUNA DEMOKRATIKE and also carried by Albanian television accuses the former Interior Minister Gramoz Ruci, now one of the Socialist Party's [PS] senior leaders, of ordering the burning of 2,160 pages of "terror lists."

However, this is not all, because those accused include another former interior minister, who was confronted yesterday for the first time with a document bearing his signature, dealing with this very topic of drawing up these "terror lists."

Everything started with the publication of an incomplete list bearing a mere 40 names, the only ones to be read on the original document and all from Mirdite. These people were to disappear without trial in the event of a state of war in Albania. The publishers claim this is a rare document that was saved by chance, while similar lists must have existed for every Albanian district.

This was about one year before thousands of Albanians stormed the fences of foreign embassies. The document, "On Purging the Districts of Hostile Elements of Extreme Social Danger in Time of War," now published in the press for the first time, provides Albanians with textual evidence reminding them of the secret crimes of the communist dictatorship. There is no way in which plans of the kind drawn up for Mirdite could fail to have been envisaged for all of the country, whose entire people were living through the dictatorship's final hours. The crimes planned by the dictatorship, this time fortunately not carried out, included mass purges; victims bound with steel, ropes, and chains; and the liquidation of opponents of the regime, prisoners, and the un-

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trustworthy, including communists and foreign citizens. The spine-chilling story has provoked a strong reaction among those on the "terror list," who were surprised to learn what a tragic fate awaited them under the communist regime.

The "terror list" would have been forgotten more quickly if TRIBUNA DEMOKRATIKE had not published other authentic documents a few days later that will also incriminate people now in the leadership of the largest Albanian opposition party. "On 22 April 1991, after the tragic events in Shkoder, the then Interior Minister Gramoz Ruci, now Socialist Party [PS] general secretary, ordered 2,160 pages of files to be burned in the furnace of the Interior Ministry," the newspaper writes. "Alongside these lists, other top-secret papers and instructions were burned. These concerned methods for the physical elimination of thousands of the regime's opponents." As the original instructions for burning the secret papers state, these papers should also have included those now being published by the press, which survived under circumstances that are still mysterious. The sole reaction from the PS reached GAZETA SHQIPTARE late yesterday evening. The party's leader said that the PS has nothing to fear from any investigation of this case, and even demanded to know the truth. Meanwhile, the "terror lists" have been accompanied by another original document, a copy of which was also published. This is an order issued by former interior minister Hekuran Isai, dealing with nothing less than the criteria for drawing up these tragic lists. The lists did not fail to mention specific names and will create a sensational scandal in Albania. The scandal has led to the creation in Tirana of an Initiating Committee of 32 intellectuals, demanding that the judiciary should condemn the genocide to which official documents in the hands of the state bear witness.

[Box, p 3]

[Interview with Servet Pellumbi: "The PS and Ruci Are Not Frightened by Any Investigation"]

"The PS is not afraid of any investigation. We too want the truth to be revealed." This was the reply given to GAZETA SHQIPTARE yesterday evening by PS leader Servet Pellumbi, when asked if his party would favor a wider investigation of the recently published "terror lists" of the communist regime. "The PS was created on 12 June 1991, and there is no reason to hold it responsible for the genocide of the previous 50 years," Pellumbi explained, referring to the accusations against the PS over the recently discovered evidence.

[E.L.] Gramoz Ruci nevertheless belongs to the PS and its most senior leadership. What is your opinion of the latest charges against him?

[Pellumbi] We have not discussed this in our party. We only saw something on television last night. Gramoz Ruci, PS general secretary, was minister for only two months in March and April of 1991, and I do not believe that a 37-year-old schoolteacher from Tepelene would come to Tirana to commit genocide.

[E.L.] Ruci is not accused of genocide, but of burning documents testifying to the crimes of the dictatorship.

[Pellumbi] I repeat that I know no details of this episode, or the charges. As for the burning of documents, I can, however, say that papers are being burned and destroyed today, too, while others are deposited in the archive. If anything illegal has taken place, the PS will, as always, fearlessly dissociate itself from such a crime.

[E.L.] However, if this case and Ruci are investigated by the judiciary, who will stand up for the PS?

[Pellumbi] The PS is not afraid of any investigation. It is interested in the truth being brought to light. I nevertheless think that this story has been dragged out as part of the electoral campaign that the Democratic Party has started, with the aim of blaming the PS for all the evils of 50 years.

Former PPSh Leader on Lists

AU2806080095 Tirana KOHA JONE in Albanian 25 Jun 95 p 3

[Unattributed report: "The Truth About the Death Lists"]

[FBIS Translated Text] In three successive issues, the Tirana Democratic Party's paper TRIBUNA DEMOKRATIKE, followed by the Radio-Television and the remainder of the press, published various lists snatched from the furnaces of the Interior Ministry in February and March 1991. According to the newspaper, these lists included the names of hundreds of people who were to be liquidated without trial by the communist regime. The order to burn them came from Gramoz Ruci, the interior minister at the time. Mr. Ruci himself has eluded the press's questioning about the truth of these lists. In order to learn more about this problem that has aroused public interest in the last few days, we turned to one of the highest leaders of the communist regime, who was in full knowledge of the workings of the Interior Ministry and the Sigurimi. This person described to us these black lists in detail, but asked us not to publish his name for the time being.

"The documents about the communist ge[illegible]n TRIBUNA DEMOKRATIKE are a base slan[illegible]ded

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to raise tensions and prepare the ground for the use of violence in the coming elections," declared one of the most senior former leaders of the Albanian Workers Party [PPSh], involved in the affairs of the Sigurimi and the Interior Ministry. According to him, these lists had existed for 40 years. They were compiled following a decision by the PPSh Central Committee on the work of the Sigurimi and the Interior Ministry in the event of war. This decision was updated throughout the time of the communist regime, whenever interior ministers changed. This means that when Enver Hoxha was alive, he signed it together with Koci Xoxe, Mehmet Shehu, and the others. After Hoxha's death, Ramiz Alia and Hekuran Isai updated it with their signatures in 1985. These lists were to be used only in the event of Albania's involvement in a foreign war. "The Americans follow such a practice to this day," the former official explained. "The purpose of these lists was to identify and isolate people likely to collaborate with a foreign enemy in the event of a foreign invasion, not to plan their deaths."

There were two lists, called "List Number One," and "List Number Two." The first included all persons with previous convictions and those suspected of serving foreign agencies, mainly the CIA, the Yugoslav UDBA, and the Greek Asfalia. The second included all those who had collaborated with the occupier in World War II, such as Ballists, Zogists, etc. These lists also included the families of great landowners, of whom it was thought that, in the event of war, they would join the occupier in order to win back what the communist regime had taken from them. There were also those who were declared to be enemies of the party during the years of the regime. The second list was much longer than the first. These lists were continually updated because of the deaths of people figuring on them, but also because some of them became Sigurimi informers. In the event of war, all those on these lists were to be interned in concentration camps. The former PPSh leader claims that there are other documents in the Interior Ministry proving that there were plan for beds, mattresses, blankets, and food. Two variations of the internment plan were available in the case of foreign invasion. If Albania were invaded by Yugoslavia, all the listed people in the north were to be moved to a concentration camp in the south. In the event of an invasion by Greece, all the listed people in the south were to be moved to the north. Standing orders for this were in force for 40 years, but were never acted upon.

"Gramoz Ruci made a mistake in issuing orders to burn these lists because he provided an opportunity for speculation at his expense. Nobody ever signed an order to kill 100,000 people, the number included on the lists, but only to isolate them," the former communist leader concludes.

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Pavlov Signs Defense Supplies Deal in Bratislava

AU2706165995 Sofia DEMOKRATSIYA in Bulgarian 22 Jun 95 p 2

[Article by Nedko Petrov: "Slovaks Will Supply Parts for Our T-72 Tanks"]

[FBIS Translated Text] Bratislava-Sofia—The three-day official visit to Slovakia by the Bulgarian military delegation ended with a one-hour meeting between Slovak President Michal Kovac and Bulgarian Defense Minister Dimitur Pavlov. Michal Kovac stated he was confident that the preparations for Bulgaria's and Slovakia's integration into the European structures will culminate in their acceptance into NATO. "The North Atlantic alliance is the only guarantee for our two countries' national security," the Slovak president said.

At the Sofia airport upon his return, Dimitur Pavlov gave a high assessment to the agreement signed between the two Defense Ministries, which defines 14 areas of cooperation. Lieutenant General Lyuben Pekhlivanov, deputy chief of the Bulgarian Army General Staff, announced that we have arranged to receive deliveries of spare parts for our T-72 tanks from Slovakia. He said that we agreed to service and repair Slovakia's Su-25 planes and all versions of the n ech-produced MiG aircraft [as received], while the Slovaks will repair our L-39 training aircraft.

UN Sanctions Committee Accused of Bias

AU2706165895 Sofia 24 CHASA in Bulgarian 22 Jun 95 p 10

[Article by Docent Dragomir Draganov, under the rubric "Personal Views": "Stop the Terror Against Bulgaria!"]

[FBIS Translated Text] Our foreign minister recently assured us that Bulgaria is ready to support the initiative to lift the Yugoslav embargo, but at the same time remains "a conscientious member of international organizations." By this he meant to indicate that we will continue to observe the embargo if the United Nations refuses to lift it.

Shortly before making this statement, this same foreign minister complained that Bulgaria has already suffered losses of $3.5 million from this same Yugoslav embargo. In response, the latest international emissary to Bulgaria informed us that the world (meaning the West) highly appreciates the sacrifices that we are making, but we will have to continue to suffer them for the time being, without any chance of receiving compensation.

The last statement is of course a bald-faced lie. However, what can we do since, seeing how green we are, they took us to be canaries, as well, that chirp with joy at the mere thought of how highly they are appreciated, without getting any money for it?

Yes, but many of our businessmen complain that since last November permits were granted for deals with former Yugoslavia. What is more, our "sanctions" official in New York reportedly said that no one can force them to do anything.

Well then, why do people attempt to pressure us? The answer is very simple: They can see what sort of canaries we are, in contrast to the Greeks, Macedonians, Romanians, Slovaks (meaning the Czechs as well), and Hungarians, who since November 1994 are freely granted permits—in practice the only official form of compensation—every day.

The reason for this is plain: It is to conceal their total impotence against the embargo violators. The UN Sanctions Committee grants permits only to those who systematically breach the embargo. Conversely, the principle that "no one can force us" operates only for the canaries (or greenhorns).

Here I have no intention of claiming that we are irreproachable. However, I do not intend either to allege that the Bulgarians who breach the embargo are criminals. Quite the reverse, they are true patriots. Now that the state has dropped its pants without a murmur at the behest of an international organization that has shown itself to be completely ineffective, any Bulgarian who attempts to pull them up again is at the very least a fine fellow, not a criminal, because it is he, not the powers that be, who is effectively opposing the sanctions terror applied against Bulgaria without financial compensation.

Unfortunately, however, the terror is effective from the economic viewpoint. The question therefore arises who in fact is the real national criminal.

Is it the person to brings foreign currency into Bulgaria without declaring it, or the others—the official powers that be—who deliberately drive foreign exchange away from our country?

Is it the one who for the sake of this money risks everything to add to the treasury, even though he subsequently "launders" these receipts, or the others—the officials in power—who do not dare to run any risks, but prefer to fill the treasury by means of tax rackets practiced against the least well-to-do?

It is the person who is prepared to transfer to the state the bribe money that otherwise finds its way into the hands of the UNPROFOR [UN Protection Force] troops and those who have more than enough, or the others—the official authorities—who continue to feed

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the opulent instead of the ordinary Bulgarian, who is sinking ever deeper into poverty?

For me the answer is clear, as is the answer to the second main question, namely that internal political factors contribute to the "sanctions" terror organized against Bulgaria just as much as the actions of our Western "friends," who are attempting by this means to finally destroy us economically.

My third point is not a question, but a statement. Sooner or later, the sanctions against the former Yugoslavia will be lifted; it does not matter whether it is because they proved ineffective, because the people who imposed them proved totally impotent, or again because our neighbor's cause proved to be just. In whose camp will Bulgaria find itself at this time? Will we be with the ineffective international organization, basking in the glow of the latest expression of the "high" appreciation that the West has been expressing for five years now, starting with the cases of Iraq and Lebanon? Or will we perhaps be on the side of our neighbors, who despite everything are still our brother Christians? Will we be with those with whom we stood united for five centuries against the anti-Orthodox and anti-Slav enemy, despite having waged two completely senseless wars against one another in this century.

If the government attempts to give a sober, level-headed answer to this question, there is still some hope left. If not, it means that for the last five years our government has not only not been sober, but has had tendencies in the opposite direction.

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Klaus Interviewed on EU Summit, Draft Law

LD2706215095 Prague Radiozurnal Radio Network in Czech 1615 GMT 27 Jun 95

[Interview with Czech Prime Minister Vaclav Klaus by Miroslav Konvalina on 27 June; place not given—recorded]

[FBIS Translated Excerpt] [Konvalina] The Czech parliament has not approved the draft constitutional law on higher territorial administrative units. Is there a chance that this matter could be moved forward before the parliamentary election next year?

[Klaus] I am convinced that the Czech parliament did not approve this constitutional law simply because there is no social consensus in the country as to how much we need these regions, how large they should be, how many of them, what their powers should be.

The proposal that in the end got the most votes in parliament was more or less a return to old communist regions that had been introduced in 1960 and abolished in 1990. It is no big result if in five years we did not reach any other decision than renewing the same regions that were abolished, more or less with one exception, five years ago. [passage omitted]

[Konvalina] The EU summit should discuss the direction of foreign aid of the European Fifteen, whether to the Mediterranean, Central and East Europe, or even Africa. What would be the extent of the help to the Czech Republic, and what spheres should it be aimed at?

[Klaus] The EU summit in Cannes certainly does not have foreign aid of the European countries as its main topic. It will deal with various other themes, and I think that this is one of the marginal parts, which, nevertheless, clearly indicates where the priorities of the European Union are. I think the EU was slightly taken aback that all of its effort should go to the East, to Central and East Europe; particularly the countries from the southern part of the European Union recalled the Mediterranean and their traditional Mediterranean partners. So there is a certain discrepancy here. [passage omitted]

Klaus 'Disappointed' at SR's Reluctance To Talk

LD2806100395 Prague Radiozurnal Radio Network in Czech 0500 GMT 28 Jun 95

[FBIS Translated Excerpt] To start with, let us recall the European summit meeting that ended in Cannes yesterday. Prime Minister Vaclav Klaus is disappointed by the lack of willingness on the part of the Slovak Republic [SR] to hold any talks. The point is that, during a brief meeting yesterday, Slovak Prime Minister Vladimir Meciar turned down a Czech-Slovak meeting at the prime ministerial or even ministerial level:

[Begin Klaus recording] I would like to say that I am a little disappointed by the lack of unwillingness to hold any talks at this political level. What Prime Minister Meciar proposes are merely talks at the ambassadorial level or at the level of ministerial officials. Basically, he is not expressing any interest in holding a meeting at the prime ministerial level soon. He is not even interested in a meeting between the ministers of his government and the Czech Government's representatives. I think this is unnecessary and unfortunate, and there is no doubt that our relations cannot benefit from it. [end recording] [passage omitted]

Prime Minister Vaclav Klaus spoke at a meeting that followed. Klaus said he was satisfied with the ways in which the European Union has been treating associated countries. He also spoke about prospects for our membership.

[Begin Klaus recording] Naturally, we respect the intergovernmental conference due to begin next year. We are well aware that serious negotiations about our full membership cannot begin before this conference. We reiterated that the Czech Republic regards full membership in the EU as the only alternative for our foreign policy and for our domestic political orientation. We said once again that we are 100-percent ready to become a full-fledged member of the EU. [end recording]

During bilateral talks, the prime minister met Polish Prime Minister Jozef Oleksy, with whom he agreed that relations between the two countries should be intensified. Foreign ministers were also present at the meeting. The prime ministers are due to meet as early as this summer. Their meeting will be followed by a meeting between the defense and foreign ministers. Foreign Minister Josef Zieleniec added:

[Begin Zieleniec recording] The meeting between the foreign and defense ministers will be a meeting of four ministers. It will be a foreign-political meeting aimed at security issues in our region. [end recording]

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Minister Rejects Involvement in Bosnia RRF

AU2706110795 Bratislava OBRANA in Slovak 24 Jun 95 pp 1, 6

[Interview with Slovak Defense Minister Jan Sitek by "FK" in Brussels on 9 June: "Slovak Contribution"]

[FBIS Translated Excerpt] [Passage omitted] [OBRANA] Are we going to become involved in the multinational Rapid Reaction Force [RRF]?

[Sitek] No. For the time being, we do not consider becoming involved in these forces. As is known, this is a French-British initiative in support of the Blue Helmet operations. However, Poland has supposedly announced its readiness to become involved. We are not going to increase the number of members of the Slovak engineering battalion, either. A decision on its enlargement would have to be made by the National Council of the Slovak Republic, anyway. As I have repeatedly stressed, one of the reasons is the economic potential of our state. Besides, we are among the countries with the highest coefficients of the ratio between the size of the dispatched contingent of Blue Helmets and the size of the Army. The Slovak side does, however, support the strengthening of the mandate of the UN peacekeeping forces operating on the territory of former Yugoslavia.

[OBRANA] How specifically are we going to participate in the Partnership for Peace [PFP] planning and evaluation process, which was another topic of the North Atlantic Cooperation Council meeting here in Brussels?

[Sitek] As of 1996, we will allocate one reinforced mechanized battalion for cooperation with NATO and two flights of aircraft for peace operations. The battalion, which is now being formed as a rapid deployment unit, will have some 600 members and will be ready for operational use by the end of next year. The battalion will be self-sufficient, including means of transportation, logistics, and command and control for all required operations. Six MiG-29 aircraft, which will also be available by the end of 1996, will be capable of deployment within 10 days of their being requested. We are also working on other cooperation projects.

[OBRANA] Could you specify them?

[Sitek] Of course. We are offering two military training compounds and are preparing the establishment of a Consultation and Education Center in Bratislava, where we envisage the teaching of foreign languages and training in crisis management. We are also ready to make available for cooperation with NATO partner countries, on a contractual basis, the capacity of our industrial companies involved in the production and repair of special equipment.

[OBRANA] The working meeting of the North Atlantic Cooperation Council was not attended by the Russian defense minister. Was the enlargement of the alliance on the meeting's agenda?

[Sitek] NATO enlargement was not discussed. However, we would welcome the specification of conditions and the criteria a candidate must meet to acquire full NATO membership. We supported the demand put forward by the Romanian delegation that the alliance specify the criteria for membership from the viewpoint of time, as well as from the political and security viewpoints.

Meciar: Not Hard To Find Votes To Oust Kovac

AU2706165795 Bratislava NARODNA OBRODA in Slovak 24 Jun 95 p 2

[Article by "isa, cic": "Will the 90 Votes Be Found Needed To Dismiss the President or Reduce His Term of Office?"]

[FBIS Translated Text] Bratislava—Speaking at a news conference after the talks between the Movement for a Democratic Slovakia [HZDS] and the Christian Social Union, the prime minister said in connection with President Michal Kovac that, on the basis of documents from the years 1993-95, the parliament would assess whether conditions have been met for his dismissal or for a reduction of his term of office. "Ninety votes are needed for that. Following these talks, I glean from them that this is not an insurmountable obstacle, that this is more than possible."

The HZDS has thus far held talks with the Hungarian Coalition, the Social Democratic Party of Slovakia [SDSS], and the Party of the Democratic Left [SDL]. NARODNA OBRODA therefore approached representatives of some of the parties with which the HZDS had conducted talks:

"I do not see any chance for the HZDS to find 90 votes in parliament, if it does not find them among the Democratic Union, Christian Democratic Movement, or Hungarian Coalition deputies," SDL Chairman Peter Weiss said. During the SDL's talks with the HZDS [on 23 June], they did not hear any arguments that would convince them of the need to dismiss the president.

According to Bela Bugar, chairman of the Hungarian Christian Democratic Movement [MKDH], the prime minister has demonstrated many times that what he says one day need not be true the next. "During his talks with us, the prime minister started raising his voice when we touched upon this issue and when we told him that we were not going to change our position," Bugar said. Asked whether the prime minister's statement could

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not be linked to his private meeting with [Coexistence Chairman] Miklos Duray, Bela Bugar replied that, even though his stand on this meeting is very negative, he does not believe that it had anything to do with the president's dismissal. "He who would support such a step would immediately disqualify himself among ethnic Hungarian voters. I cannot imagine it," the MKDH chairman added.

Meciar Says Relations With CR Moving Apart

AU2706155495 Prague HOSPODARSKE NOVINY in Czech 20 Jun 95 pp 1, 4

[Interview with Slovak Prime Minister Vladimir Meciar by Oldrich Zabojnik in Bratislava; date not given: "We Are Moving Apart Faster Than Anticipated"]

[FBIS Translated Text] [Zabojnik] What is your view of the development of the whole gamut of contacts between the states of the former Czechoslovak Federation?

[Meciar] We are destined to live next to each other and have good relations. Cooperation is in the interest of both sides. We do not, therefore, want to do anything that would complicate or tarnish relations between Slovakia and the Czech Republic [CR]. Despite this, however, I have to say that the two states are moving apart faster than anticipated. Furthermore, we are aware of a kind of introversion in the Czech Republic. This makes it think that it is better at everything and more attractive and, therefore, that it will be first everywhere. This is a strategy that Edvard Benes, as foreign minister, was the first to come up with when he proclaimed that Czechoslovakia was the darling of the Entente. The same game is taking place in a certain semblance even now, but under different historical circumstances.

[Zabojnik] In Slovakia, we time and again encounter the view that, in the end, the sly Czechs will always somehow hoodwink the good-natured Slovaks in that, whenever it is to their advantage, they will, without blinking an eye, break promises, agreements, or treaties. Do you also think this?

[Meciar] Disappointment prevails in Slovakia at the unilateral step taken by the Czech Government, which has canceled the payments agreement. This diminishes our partner's credibility. It is then, of course, difficult to seek models of cooperation in a situation in which there is no willingness to comply with the commitments already agreed upon and signed. The question also arises, why conclude new ones. There is also the question of partnership at the negotiating table here. We know that it is essential to take certain steps. This involves settling matters associated with the agreement the Czech Republic is rescinding. Even though we suggested a different course of action, it is necessary to arrange our future relations because cooperation between us is not coming to an end.

[Zabojnik] Will this not be too painful for Slovakia?

[Meciar] The Czech Republic is our most important trading partner. It accounts for approximately 35 percent of Slovakia's foreign trade, although this ratio has been declining recently. We envisage that this decline will continue following the change in payment relations. We are counterbalancing it by a considerable increase in the volume of trade with other states, which, in relation to Slovakia's needs, we consider to be positive. All of this creates the belief that the future is, in essence, bright, but we discern clouds here and there.

[Zabojnik] How do current Czech views on Slovakia appear to you? Are there things that, in this context, unpleasantly surprise or aggravate you?

[Meciar] Following the state's breakup, the Czech Republic had a better starting basis than Slovakia in everything. We had to come to terms with a number of things. We have managed to overcome successfully many problems in policy and in arranging the state's structure; we are also dealing with them successfully in the economy. This situation is, unfortunately, due to the small-mindedness of individuals who need to show that they are good only because someone else is bad and who otherwise do not know how to spotlight their success. This has become the fashion for many Czech politicians recently, and it is quite the norm in journalism. But, we are already used to this as a means of approach to us.

[Zabojnik] Are you satisfied with Slovakia's development and position in the third year of its independence? Are there any problems that prevent you from sleeping?

[Meciar] Conviction about the dynamism of our development prevails on the Slovak side. We do many things differently from the way they are done in the Czech Republic, but not worse. At first, many things are perhaps hard to understand or more difficult to interpret, but they will bear their own fruit, and it will certainly be no worse than that borne in the Czech Republic. Its entire strategy is based on rapid integration into the European Union. But, what if this process is delayed and we have to continue to live together in Central Europe? I do not think the Czech Republic has drafted a strategy for this policy. Rejecting Central Europe is not good. On the other hand, we wish the Czech Republic only the best because this will also contribute to our success. At the same time, however, we bear in mind the fact that the Czech Republic is looking after itself, that it is wrapped up in itself, and that the views, feelings, and standpoints in our country do not interest it too much.

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[Zabojnik] At the beginning of this decade, when you were prime minister for the first time, in an interview for HOSPODARSKE NOVINY, you formulated your views on the social orientation of the market economy. How do you view this—to some—contradictory context today?

[Meciar] My understanding of society was slightly different from just a narrowly market one. Every society is a social mechanism. The market represents just part of the mechanisms in it; they are important but are in no way superior to other social relations. Therefore, in changing the structure of the economy, in regional and social policy, we chose a different strategy. We are also pursuing a different course of action in privatization. For example, if we give priority to employees' shareholding companies, a situation will, admittedly, arise in which we will not achieve a surplus in the state's coffers immediately. On the other hand, however, Slovak businessmen are behaving like the owners of their enterprises and, like their employees, are enhancing their own property.

Therefore, their attitude and motivation are changing considerably; the resources they get are also changing. The historical situation now decrees that a domestic business class be established, that property be divided between it and other citizens, property that they created by their own work, and that the best use be made of it. This property will naturally be transformed gradually into broader market relations, but it would be a mistake to skip this historical stage. I think that this has been attempted in the Czech Republic, but only time will reveal the results. As far as changing the economy's structure is concerned, I venture, not immodestly, to claim that we have taken more steps than the Czech Republic. There, changing the structure was perceived, first and foremost, as transforming ownership, with the proviso that the owners would make the structural changes. We proceeded from the premise that a change in ownership could only affect efficiency a percent or two either way, and, therefore, we saw the crux in changing the structure. Of all of the transforming countries, we have done the most work in this. At the same time, it is still too little for us to be satisfied. The foundations have been laid, however, and all hard work pays off in the end.

Meciar, Weiss Assess HZDS-SDL Consultations

AU2706133695 Bratislava PRAVDA in Slovak 24 Jun 95 pp 1-2

[Article by Martin Krno: "Government Coalition Remains Open"]

[FBIS Translated Excerpt] Bratislava—The ruling Movement for a Democratic Slovakia [HZDS] concluded at its headquarters yesterday a series of talks with representatives of political parties in bilateral meetings with representatives of the Party of the Democratic Left [SDL], the Green Party of Slovakia, and the Christian Social Union. The Christian Democratic Movement [KDH] did not accept the HZDS invitation to such a meeting, and the Democratic Union did not receive an invitation to 32 Tomasikova Street.

The two-and-one-half-hour HZDS-SDL meeting, the first since the present government coalition assumed power, was attended by, apart from the chairmen of the two political entities, I. Gasparovic, S. Kozlik, A.M. Huska, and G. Krajci (for the hosts) and P. Kanis, V. Sopko, R. Fico, and J. Hrasko (for the guests). At a subsequent briefing, SDL Chairman Peter Weiss voiced satisfaction with the fact that, three months after the invitation addressed to the ruling movement, a bilateral meeting was held, at long last. [passage omitted]

HZDS Chairman Vladimir Meciar noted that the meeting was not expected to result in the adoption of any conclusions of principle. They only expected agreement on the further course of consultations between the parliamentary clubs and between members of the government and the SDL "shadow cabinet." According to Meciar's words, the two political entities view the present domestic political situation differently, but they jointly understand that "a new farce [fraska] in Slovakia is not suitable." Consultations on individual matters will continue, and the next meeting at the highest level will probably be held in September. "We consider the system of the coalition to be an open one," the prime minister stressed. "Should the SDL want to change its mind later on, even consultations on its participation in the government could be launched." In reply to a PRAVDA question, he specified that, even before the meeting, the SDL had declared that it would not join the present government coalition. "We did not do any recruiting, nor did we try to persuade them. We just stated that, together with our coalition partners, we are open for another political entity to join the coalition."

Meciar drew attention to the fact that the proper functioning of constitutional bodies must be guaranteed. The HZDS is not interested in the negative historical experience being repeated when parliament fell apart,

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early elections were called, and the government fell. They see, however, that developments are heading in that direction and that one of the elements responsible for developments heading in that direction is, once again, the person of Michal Kovac. The head of state should be a person who is a unifying factor and not someone who permanently polarizes society and attacks. The prime minister claimed that he had no knowledge of the so-called action quintets, which, he said, were a KDH invention. Peter Weiss said in response that the SDL's cardinal objection to what is currently going on within the state administration was that experts very often are being replaced by people who lack the requisite qualifications or who are much less qualified than their predecessors. This lowers the authority of, and significantly politicizes, the state administration. The SDL chairman received with satisfaction the repeated assurance that the HZDS does not speculate with early elections and that it does not seek to amend the Constitution, either. Following the prime minister's severe criticism of the KDH's political practices, Peter Weiss stressed that his party's deputies had no reason to change their parliamentary policies. They will base their objections to the government predominantly on expert arguments and will not resort to offensive remarks about political adversaries.

[Bratislava SMENA in Slovak on 24 June on page 2 carries a 300-word report by "vg, TASR" on the HZDS-SDL consultations entitled "Nothing New Under the Sun," which states: "According to information from behind the scenes, a heated exchange of views occurred when Weiss's party demanded that the opposition be represented in parliamentary committees and commissions and when it unequivocally declared its unwillingness to take any steps against the president, which met with the HZDS chairman's resentment."]

HZDS, KSU Chairmen Sign Cooperation Agreement

AU2706165695 Bratislava NARODNA OBRODA in Slovak 24 Jun 95 p 2

[Article by "suj": "Movement for a Democratic Slovakia Signed Cooperation Agreement With the Christian Social Union"]

[FBIS Translated Text] Bratislava—An agreement on cooperation between the Movement for a Democratic Slovakia [HZDS] and the Christian Social Union [KSU] was signed by [HZDS Chairman] Vladimir Meciar and [KSU Chairman] Viliam Oberhauser in Bratislava yesterday. After the signing, Meciar told a news conference that the agreement was a belated culmination of a natural tendency to cooperate that has been characteristic of the KSU—in fact, ever since its founding. "Mutual respect and cooperation existing among many HZDS and KSU functionaries were temporarily disrupted by links between the erstwhile KSU chairman (Jan Klepac—editor's note) and the Office of the President of the Republic. This influenced, to a certain degree, the course and results of the elections as well as the conclusion of a preelection coalition," Meciar said.

Viliam Oberhauser said that the KSU wanted to contribute with the cooperation agreement to improving the overall situation in Slovakia—not as a government member but as its expert adviser. The KSU's electoral coalition with the HZDS at a later date seems to be natural to him, even though the agreement does not explicitly define this issue. Vladimir Meciar, too, conceded this possibility.

KDH Head Views Movement's Policy, Allies

AU2706165095 Prague TYDEN in Czech 19 Jun 95 No 25 p 39

[Interview with KDH Chairman Jan Carnogursky by Milan Zitny in Bratislava; date not given: "Slovak Policy Is Full-Blooded"]

[FBIS Translated Excerpt] [Passage omitted] [Zitny] Two streams—a so-called liberal stream, headed by the movement's deputy chairman, Ivan Simko, emphasizing a Western orientation, and a "conservative" stream, led by you, promoting a balanced orientation toward Russia and the West—have allegedly clashed within the KDH [Christian Democratic Movement]. Apparently your opponents have endorsed...

[Carnogursky] The KDH's political line is formulated on the basis of discussion within the movement and not on the basis of a diktat—mine, the West's, or Rome's.

Enlargement is being discussed not only in Slovakia, but also throughout Europe and in the United States. We have heard the threats from Russian Generals Lebed and Grachev about retaliatory countermeasures in the event of NATO's enlargement toward the East. A consequence of this could be that Slovak towns become the targets of Russian missiles. Making a decision on such an important issue without a discussion would be irresponsible. We adopted a resolution in April in which we support Slovakia's entry into NATO. On the other hand, we want to promote good relations with Russia—partly within Slovak bodies, but also within EU and NATO bodies, if Slovakia is a member of them.

[Zitny] Did the Vatican have any influence on the adoption of this resolution?

[Carnogursky] Definitely not. At the end of April, we heard a view expressed by a certain highly placed

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representative—let me point out, not John Paul II--that West Europe is internally weak and will not dare to enlarge NATO toward the East against the will of Russia. Despite this, in our resolution, we expressed our support for membership in NATO.

[Zitny] How will the KDH proceed when the National Council of the Slovak Republic has the ratification of the Slovak-Hungarian treaty on its agenda?

[Carnogursky] Even if I knew now, I would not tell you. Let TYDEN's readers excuse me. [passage omitted]

[Zitny] Whom do you consider to be your closer political allies—the left-wing SDL [Party of the Democratic Left] or the Hungarian parties that got into parliament and have a conservative or, rather, centrist orientation?

[Carnogursky] Let us not take the Hungarian parties as a whole. The Hungarian KDH [MKDH] is our closest political partner, and there are more political issues on which we agree more with the MKDH than with the SDL. We also have fewer differences with the MKDH than with the SDL. In both cases, however, there are agreements and disagreements.

[Zitny] On what do you disagree with the MKDH?

[Carnogursky] We do not support all of their nationalist demands.

[Zitny] Is territorial autonomy really the aim of the Hungarian minority's political representatives?

[Carnogursky] Yes. Given a suitable political opportunity, they would establish it. In my view, all three Hungarian parties concur in this. They differ in their level of political realism. It is higher in the MKDH and the Hungarian Civic Party than it is in Egyutteles.

[Zitny] The Hungarian parties, however, under the conditions of the independent Slovakia, have not yet been given an opportunity to demonstrate the opposite. They are not in the government.

[Carnogursky] They could only demonstrate the opposite if the Slovak political parties were to offer them territorial autonomy and they were to turn it down.

Slota on Constitutional Changes Sought by SNS

AU2706134395 Bratislava PRAVDA in Slovak 24 Jun 95 p 2

[Article by "ad": "The Slovak National Party Will Propose Abolition of the Customs Union"]

[FBIS Translated Text] Bratislava—The Slovak National Party [SNS] is working more and more intensively on changes to the Slovak Constitution. SNS Chairman Jan Slota confirmed yesterday that his party wants to amend the Constitution in order to reintroduce capital punishment, extend the period of custody from 24 to 72 hours, and define, in addition to the rights of ethnic minorities, their duties also. "We want to enshrine the obligation of all inhabitants of Slovakia to master the state language—that is, Slovak," Jan Slota said. Following consultations with coalition partners and other parliamentary parties, SNS deputies want to submit the draft amendment of the Constitution to parliament in September. Even before this, citizens should be given the chance to assess the draft, according to Slota's statement. Jan Slota considers the postponement of the meeting between the Czech and the Slovak prime ministers logical. "The meeting would be pointless because it would be known in advance that the Czech side does not want to be accommodating," he said. According to the SNS chairman, the customs union is not advantageous for the Slovak side. "In some of its points, it is advantageous for both sides, but, following the abolition of the payments agreement [on 21 June], the union as a whole does not make sense. We will propose its abolition," Slota said. Furthermore, Slota admitted that, under the previous regime, he had committed two criminal acts. In 1970, he was detained while trying to illegally cross the border, and once he gave a black eye to a Hungarian whose relative was the chief of a police department. This relative qualified this as infliction of bodily harm.

Bills Approved at 22 Jun Parliament Session

AU2706133895 Bratislava SME in Slovak 23 Jun 95 pp 1-2

[Article by "(agt, bog, and pt)": "As of 1 July, the Minimum Subsistence Level for Adults Will Go Up by Sk120, to Sk1,470"]

[FBIS Translated Excerpt] Bratislava—The state will use the property of communities in military exercise areas free of charge. The votes of the deputies from the governing coalition were decisive in making this decision yesterday at the eighth meeting of the National Council of the Slovak Republic. That is, they approved an amendment to the law on community property despite warnings from opposition deputies that this is an anticonstitutional step. According to our information, Christian Democratic Movement deputies are considering the possibility of submitting a complaint to the Constitutional Court in this regard. The deputies also approved a law on the minimum subsistence level. According to it, the minimum subsistence level for adults will rise to 1,470 korunas [Sk] as of 1 July 1995. This is the sum necessary to provide for food and the other basic necessities; until now, this sum amounted to Sk1,350. [passage omitted]

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The deputies approved a draft law on administrative fees. It was explained by Finance Minister S. Kozlik. He emphasized that it should increase the state budget's revenue by Sk100 million. The law calls for the suspension of administrative proceedings in the event that a citizen or legal person does not pay the administrative fee within the stipulated deadline.

The tariff for these fees (it has almost 80 pages) is part of the law—some fees are increased, while others are reduced. For example, as of 1 August, the issue of a passport will cost citizens Sk400; children under age 15 will pay Sk150. Release from state ties to the Slovak Republic will cost an applicant Sk10,000. Issuing a driver's license will cost Sk50. [passage omitted]

Some deputies—I. Pasztor (Hungarian Coalition [MK]), J. Kvarda (MK), and P. Kanis (Party of the Democratic Left)—pointed to the unconstitutional nature of the government's draft amendment to the law on community property. According to the previous arrangement, communities to which property in a military exercise area had been returned could administer it, but, at the same time, they were obliged to facilitate the Slovak Army in implementing its training programs. The current arrangement enjoins the communities to conclude compensatory agreements with the state before 31 December 1997. Until then, the Slovak Republic is to administer community property at the community's expense. [passage omitted] Following the lunch break and consultations in the clubs, the deputies, in the end, approved the draft law. Of the 125 present, 75 were in favor of this law, 43 were against, and eight abstained. [passage omitted]

The aim of the draft law on child allowances and supplementary child allowances is, according to Minister O. Keltosova, to improve the targeting of these payments as well as to limit the range of claimants to ensure that persons deliberately avoiding employment are excluded from them. [passage omitted] Following clarification that the draft had been discussed with representatives of the unions, who acknowledged that it is impossible to increase family allowances to the detriment of a balanced state budget, the deputies supported the law. [passage omitted]

Dismissal of Hungarian Principals Triggers Protest

AU2706155395 Bratislava PRAVDA in Slovak 24 Jun 95 p 2

[Report by TASR: "Against Principal's Dismissal"]

[FBIS Translated Text] Bratislava—A sharp protest against the dismissal of Laszlo Kovacs, principal of the secondary school at Samorin, with effect from 30 June 1995, was expressed by 17 employees of the school, at which Hungarian is the language of instruction, in a statement delivered to TASR. The teachers express their protest against the decision of Miroslav Pius, director of the Bratislava VII School Administration, who dismissed Kovacs without stating any reason. The secondary school employees demand that the decision to dismiss the principal be canceled. If this does not happen, they will be forced to resort to civil disobedience.

In an interview with TASR, Miroslav Pius stressed in this context that he had recalled four principals of Hungarian-language schools, including Laszlo Kovacs, because they refused to implement his order dealing with the introduction of alternative education and not because of their views regarding this form of education. The order they refused to implement concerned the distribution to parents of an explanatory letter aimed at informing them truthfully about the aims of the introduction of alternative education.

[Bratislava SME in Slovak on 24 June on page 1 carries a 350-word interview with Hungarian Christian Democratic Movement Chairman Bela Bugar by Alena Gottweisova entitled "Protest Against Ministry of Education Steps." In the interview, the place and date of which are not given, Bugar confirms that four principals of Hungarian-language schools received "letters of dismissal" on 22 June. All of them had reportedly signed a statement expressing disagreement with the introduction of alternative education in southern Slovakia. Bugar assesses this move as "deteriorating the already quite tense situation in southern Slovakia." Bugar also protests against the fact that explanatory letters on the aims of alternative education are being distributed only to parents of children attending Hungarian-language schools and not to parents of children attending Slovak schools, which he regards as "discrimination on the basis of nationality."]

Sale of Hard Currency Raised to $1,000 Per Year

AU2706133995 Bratislava PRAVDA in Slovak 24 Jun 95 p 1

[TASR report: "Foreign Exchange for Sk30,000"]

[FBIS Translated Text] Bratislava—The 15th meeting of the National Bank of Slovakia (NBS) Banking Council was held in Bratislava yesterday with NBS Governor Vladimir Masar in the chair. The main item on the meeting's agenda was the "Report on the Monetary Development in the Slovak Republic in the First Quarter of 1995." The rate of inflation, measured in terms of the consumer price index, reached 2.2 percent in the period under review, and the NBS foreign currency reserves went up by $223.9 million to $1,968.9 million. In view

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of the growth of foreign currency reserves, in harmony with preparations for the convertibility of the Slovak koruna [Sk] on the current account of the balance of payments, and in connection with the coming tourist season, the NBS Banking Council decided to raise, effective 1 July 1995, the limit on the sale of hard currency to Sk30,000 per capita, or the equivalent of $1,000 for the year 1995.

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Kovacs Explains Treaty Issues With Romania

LD2706181795 Budapest Kossuth Radio Network in Hungarian 0440 GMT 27 Jun 95

[FBIS Translated Excerpt] [Passage omitted] Bucharest has launched a sharp attack on Hungarian diplomacy regarding the bilateral treaty. However, the Hungarian foreign minister evaluated the statement of the Romanian foreign minister as positive. A few hours before the meeting of Hungarian Prime Minister Gyula Horn and Romanian President Ion Iliescu in Cannes the war of nerves has started. Our reporter Kata Peli Nagy interviewed Foreign Minister Laszlo Kovacs.

[Begin recording] [Peli Nagy] The Romanian party alleges that at the meeting of experts last week it came up with a compromise proposal, namely that if Recommendation 1201 is included in the bilateral treaty, the Hungarian party should, in a separate chapter, stipulate its interpretation of the rights of minorities in Romania. Apparently the Hungarian delegation did not accept this.

[Kovacs] Prior to the talks we had received information that the Romanian party was preparing to put up such a proposal. The essence of this would have been to include Recommendation 1201 in the treaty together with other documents and in some shape or form, for example by way of exchanging letters between the foreign ministries, to give it a joint interpretation. We did not consider this inconceivable or unfeasable, since Recommendation 1201 contains fairly precise formulations. I think that with the necessary goodwill and readiness for compromise a joint interpretation of its content can be quickly accomplished.

However, at the talks of experts the Romanian party did not submit this particular proposal but said that they would not even hear of mentioning Recommendation 1201. They urged that, in a separate document, or in the form of exchanging letters or an appendix to the treaty, further Hungarian obligations must be stated to spell out all those demands which Hungary will under no circumstances submit, not even at a later date, even though international forums might come up with new and different standards. Well, this was an impossible proposal; it was no compromise solution but an ultimatum, and I don't think that the Romanian party seriously expected us to accept it.

[Peli Nagy] The Romanian foreign minister said, fine, they would accept Recommendation 1201, but Hungary should renounce the territorial and collective rights of the minorities.

[Kovacs] It seems that the readiness for compromise confirmed at the time by him and various Romanian diplomatic sources, but which was not at all reflected by the experts' talks, has come to the forefront again and I welcome this. There will be an opportunity in Cannes to find out whether this indeed exists or whether they will return to the, in my opinion, unacceptable proposal submitted at the experts' talks. If this readiness for compromise does exist, the next task is to find a formula acceptable for both parties.

My idea of a solution would not be that Hungary should renounce anything during the course of this exchange of letters. My version of the solution is to clarify what Recommendation 1201—which obviously extremely frightens certain Romanian circles—contains and what it does not contain. Indeed, the expression of collective rights is not included in the Recommendation. Thus if anybody asks us to confirm this, I think, we could do this without any trouble. However, we are not willing to confirm any restrictive interpretation of Recommendation 1201. [passage omitted] [end recording]

Horn Comments on Relations With Romania

LD2706220095 Budapest MTV Television Network in Hungarian 1730 GMT 27 Jun 95

[Quotation marks denote recorded passages]

[FBIS Translated Excerpt] The Hungarian prime minister has confirmed that the Hungarian-Romanian basic treaty should not contain less than the Hungarian-Slovak basic treaty. Gyula Horn was speaking in Cannes where he held talks with the Romanian president at the European Union [EU] summit. Ion Iliescu and Gyula Horn established that relations between the two countries were good. At the press briefing Foreign Minister Laszlo Kovacs said our country had not expected any breakthrough from this EU summit; therefore, we are not disappointed.

[Correspondent] At the press briefing Gyula Horn said he suggested at the summit that talks with the prospective members should be differentiated depending on the extent the countries have met the conditions of accession.

[Horn] "[Words indistinct] The EU cannot avoid differentiating between what the associate member states are doing, on the basis of their performance. I think they are receptive to this. This will be decisive concerning the possibility and time of accession."

[Correspondent] Today the prime minister held a nearly one-hour separate discussion with Romanian President Iliescu. They agreed that the two countries' foreign ministers will hold another meeting in the coming days to settle problematic issues so that a basic treaty between

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the countries can be signed before the parliament's summer recess. [passage omitted]

At the press briefing Gyula Horn confirmed that relations between the two countries are good indeed; however, there are some troubles.

[Horn] "We have talked about the education bill approved by the Senate and the Romanian Parliament, which is not finalized as the drafts have to be coordinated by the two chambers. We believe that these drafts are in contrast with the obligations Romania has undertaken in the Council of Europe and also with the European norms and requirements. I have to admit that this was one of the main points of our discussion. The president said that the bill has not yet been signed, coordination and refining are under way. There have been and will be problems, our relations will never be problem-free. However, I can state that our relations are rapidly improving and strengthening in political, economic, cultural, and in other, even sensitive fields." [passage omitted]

Spokesman Denies 'Revisionist' Theme of Study

LD2706222895 Budapest MTV Television Network in Hungarian 1730 GMT 27 Jun 95

[FBIS Translated Text] At his press briefing held in Cannes, Hungarian Prime Minister Gyula Horn said that Romanian President Ion Iliescu, during their talks in Cannes, apologized for the statement made by the Romanian foreign affairs spokesman yesterday. The Romanian spokesman accused the Hungarian Foreign Ministry of including revisionist theses in one of its publications and said that this step damaged relations between the two countries.

At his press briefing held earlier today the Hungarian foreign affairs spokesman also denied the Romanian accusations.

[Begin Spokesman Ivan Szentivanyi recording] The accusation that this publication includes revisionist statements is not correct, neither is the claim that it would complicate the atmosphere of talks on the basic treaty. In our view, this publication which has been freely available for three months has no connection whatsoever with the talks on the basic treaty and we cannot accept the position that this publication poisons the political atmosphere and friendship between the two countries and their people. [end recording]

[Correspondent] The two disputed sentences of the Foreign Ministry's publication entitled "National and Ethnic Minorities in Hungary" reads as follows: During the Turkish wars, which started in the 15th century, then under the 150-year-long Turkish occupation, the population in the central part of the country declined drastically. Meanwhile, in the eastern and southern border region the inflow of the Romanian and Serb population began.

This was the basis of the Romanian foreign affairs spokesman's statement, according to which Budapest revives theses of revisionist history writing by claiming that Romanians settled in the Carpathian basin only in the 16th century.

Ivan Szentivanyi referred to the fact that neither the Carpathian basin not the 16th century were mentioned in the disputed publication, and added that the document, which was published three months ago, did not deal with historical matters but summarized the situation and rights of minorities following the establishment of ethnic minority self-governments.

Russia Makes Weapons Offer To Lower Its Debt

AU2706174395 Budapest NEPSZABADSAG in Hungarian 27 Jun 95 p 1

[Correspondent's report: "An Agreement Has Been Reached on Supplying Russian Weapons"]

[FBIS Translated Text] We learned that representatives of the Hungarian Defense Ministry and of the Russian military industry have come to an agreement on part of the weapons offered by the Russian side in exchange for the outstanding Russian debt toward Hungary. The two sides already agreed on the supply of BTR armored personnel carriers, and negotiations are under way on the supply of Smerch surface-to-surface missiles and MiG-29 spare parts.

Russia supplied modern MiG-29 combat aircraft in exchange for part of their outstanding debt toward Hungary. Russia still owes Hungary some $800 million, and the Armed Forces—namely, the Army and the Border Police—can use one-third of this sum, or $300 million.

Before the talks, Defense Ministry representatives said that land forces enjoy priority in development, because these forces must be equipped with modern armored personnel carriers. The Russian side offered the BTR personnel carriers, and we learned that the Defense Ministry delegation led by State Secretary Karoly Janza came to an agreement with the Russian military industry representatives at their meeting held last week.

At the same time, the Hungarian Army would also like to purchase surface-to-surface missiles. The Russian side offered the Smerch which, according to the experts, is a highly accurate defense missile. No agreement has yet been made on this during the negotiations last

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week, so they will only decide on the purchase of these weapons systems later.

Keleti on Military Equipment

LD2706223595 Budapest MTV Television Network in Hungarian 1730 GMT 27 Jun 95

[FBIS Translated Text] For the time being, there is no agreement on the types of military equipment Hungary will receive from Russia in return for the outstanding Russian debt. Hungarian Defense Minister Gyorgy Keleti would like the Defense Ministry to receive armored carriers, rocket launchers, and spare parts for MiG-29 aircraft in return for the Russian debt of $240 million, which is available for purchase by the ministry. However, Moscow is prepared to write off the value of this equipment from its debt for a price well above the world market price.

[Unidentified correspondent] Gyorgy Keleti hopes that the relevant agreements will be concluded in Moscow next month but, for the time being, contractors would like to deliver certain equipment, offered by the Russian arms industry, for a price twice as high as the world market price.

[Begin Keleti recording] In return for their debt, the Russians do not wish to give us military equipment which can be sold on the world market for cash. [end recording]

[Correspondent] The Defense Ministry can order $240 million worth of military equipment from Moscow. Gyorgy Keleti said that a maintenance kit which can be used for MiG-29 aircraft is at the top of the Hungarian request list. The guarantee for the aircraft, which were delivered two years ago, has expired and in order to keep them in service there is a need for spare parts, tools and tires, for example.

Gyorgy Keleti denied that the purchase of further aircraft had been mentioned. However, the ministry would be prepared to receive 250 BTR-80 armored personnel carriers, with which the over 25-year-old Raba carriers could be replaced. The minister considers BTR-80 carriers to be basic defense arms. They could even be used for air defense by mechanized artillery units.

During the talks last week the Hungarian delegation also asked for Smerch surface-to-surface missiles. However, negotiations about the price of the missiles, which have high accuracy of fire even at a distance of 70 km, are still under way. According to the minister, the agreement is uncertain, although the missiles would represent a significant combat value in the event of Hungary's possible NATO admission.

Fodor Views Civilian Control of Armed Forces

AU2706181595 Budapest MAGYAR NEMZET in Hungarian 27 Jun 95 p 6

[Interview with Istvan Fodor, political state secretary at the Hungarian Defense Ministry, by Vereckei; place and date not given: "Underpants or MiG-29 Aircraft?—Baffling Budget"]

[FBIS Translated Text] The civilian control is not a matter of uniform, because we are talking about a multifaceted institution here, and one of the major tasks of this institution is to make sure that the army cannot serve the interests of political parties or smaller groups—Defense Ministry Political State Secretary Istvan Fodor told us when asked about civilian control over the army.

[Vereckei] The Defense Ministry has been strongly criticized lately for employing too many former soldiers within its top leadership. Many people feel that this is damaging the civilian control. What is your opinion about this?

[Fodor] I would compare the civilian control with a two-tier brake system, with the army inside and the institutions controlling the army outside, institutions that have the right to take measures. However, the latter control not only the army, but also each other, and thus one institution cannot mobilize the army without the other. The parliament and its Defense Committee are such institutions, but the president of the Republic and the defense minister can also be listed here, as well as the Constitutional Court and the State Auditor General's Office. Compared to all this, the question of how many soldiers and civilians work in the Ministry is rather unimportant. And the fact that former active soldiers are now working as civilians and that, therefore, they might support the professional soldiers has no longer any significance. I think that much "partiality" is acceptable. All the more so because contacts can develop here even if one gets here as a civilian, as it happened in my case. It is much more important that this to make sure that the Ministry leadership and the government do not have the authority to place the army at the service of their party.

[Vereckei] One of the important means of civilian control is the regulation according to which any use of the Hungarian Army requires the decision of two-thirds of the Hungarian parliament. However, the deputies of the two coalition parties make up such a majority today. Therefore, theoretically, they have the possibility of using the army for their own goals.

[Fodor] This is indeed so formally. When the aforementioned regulation was formulated, no one thought that

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any cabinet might get into a position like that at the moment. Reality, however, is different from theory, because we always have a six-party coordination on issues that affect the army, and we take the issue to parliament with the agreement of the opposition parties.

[Vereckei] Parliamentary control over the army budget would be an important means of civilian control. However, according to both experts and deputies, this is impossible to supervise, and anything can be hidden in this budget.

[Fodor] I regard this argument as justified. The army budget allocates funds to various places, like land forces, air forces, and so on, and the papers do not specify whether we buy T-72 tanks, MiG-29 aircraft, or underpants for the soldiers from this money.

[Vereckei] When can we expect some change regarding this?

[Fodor] The Defense Ministry presidium discussed the concept in principle recently, the concept that deals with this issue. We think the tasks should not be set according to the funds. Things should work the other way around: The amount of money should be determined by the tasks formulated in harmony with the security policy principles. Our goal is to be able to plan the expenses concretely at least two years in advance, and later six years in advance. However, we will only be able to submit such a budget in 1997 at the earliest.

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UNPROFOR 'Faces Watershed' in Coming Days

AU2706145595 Paris AFP in English 1315 GMT 27 Jun 95

[Report by Adrian Brown]

[FBIS Transcribed Excerpt] Sarajevo, June 26 (AFP)—The UN mission in Bosnia faces a watershed in the coming days, according to pessimistic UN officials who see no relaxing of the grip both warring parties are now exerting on the beleagured operation.

Food and supplies are running out for both peacekeepers and civilians in Sarajevo and the mainly Moslem eastern enclaves. A Bosnian Serb blockade of Sarajevo has meant just one-sixth of the aid needed for June has arrived.

Similarly in the enclaves, marooned in Bosnian Serb territory, just a handful of convoys have reached the isolated populations there. [passage omitted]

"We are facing serious problems thoughout Bosnia," said Philip Corwin, head of civil affairs for the UN mission in Bosnia. "We are at the stage where we take five steps back and one step forward. Each time we do that it is seen as a victory but it isn't."

With the United Nations reduced in many places to the role of mere observers as the situation in Bosnia deteriorates, fundamental questions are being asked about the mission, senior UN officials confess.

"The withdrawal of Blue Helmets from Serb areas and the restrictions is seen as a whittling away of our mandate and the question is being asked, what are we doing there?" said a UN source.

Officials in the mission say that with orders to operate only with the consent of the parties and avoid the use of force little is being achieved.

"We can only proceed with the consent of the parties. There is nothing beyond that that you can do. We are not ready to use force," said Corwin.

That consent was amply demonstrated by the Bosnian Serbs throughout the Bosnian conflict and was now being copied to a lesser extent by the government.

Officials have identified the end of this month as the crunch point for the mission in Bosnia, especially in Sarajevo and the enclaves with supplies reaching a critical level.

Corwin seemed pessimistic about the future. "The Serbs are trying to control us more and more. They will let a trickle of food through but I am not sanguine about the future," he said.

But Bosnian Serbs do get concerned about a more robust response from the international community. "That is not on the cards right now but it could easily get pushed to that if the Serbs don't relax their position," Corwin said.

Izetbegovic, FRG Envoys Discuss RRF Role

AU2706185995 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 27 Jun 95

[FBIS Translated Text] Presidency President Alija Izetbegovic today received Michael Steiner, German representative in the Contact Group, and Johannes Preisinger, German ambassador to Bosnia-Herzegovina.

During lengthy talks they discussed the current military and political situation in Bosnia-Herzegovina and a number of current issues related to the present and future role of UNPROFOR [UN Protection Force] in our country, the formation of the so-called Rapid Reaction Force [RRF], and the possible German participation in this force, the mission of the new mediator Carl Bildt, the Contact Group plan, the latest EU initiative after the meeting in Cannes, which was last night presented by French President Chirac, and other issues concerning the situation in our country.

President Izetbegovic will most likely meet Steiner and Preisinger again tomorrow to continue the talks, says a statement from President Izetbegovic's office.

Sacirbegovic: UNPROFOR Has Failed

AU2706154995 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 27 Jun 95

[Article by Jasenko Peric, including statements by Foreign Minister Muhamed Sacirbegovic, in Sarajevo on 27 June—recorded]

[FBIS Translated Text] [Announcer] Today Bosnia-Herzegovina Foreign Minister Muhamed Sacirbegovic held a news conference in Sarajevo. It was occasioned by a letter that Minister Sacirbegovic has sent to the Security Council, in which he informs the members of the Council that what has been happening in Bosnia-Herzegovina is a terrorist campaign conducted by the aggressor. Jasenko Peric reports:

[Peric] Minister Sacirbegovic believes that one cannot speak of the aggression taking place against Bosnia-Herzegovina as if it were a common war. It is a terrorist campaign and this has to be constantly repeated to everyone in the international community. As Minister Sacirbegovic was on his way to the location where the news conference was to take place, the capital was reverberating to the sounds of explosions. This is what Muhamed Sacirbegovic said:

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[Sacirbegovic] Look, this is not war [words indistinct], a clash between two armies. This is not war, when a city is shelled, and when it is shelled at times of war, then people know that they are to go to shelters. Here, these people are waiting for a large number of our people to go out into the street so that they can kill as many of them as possible. Why? They want to say to them: Although you might think that you are sometimes safe, you never are.

We will no longer tolerate this.

[Peric] Sacirbegovic also spoke about the UNPROFOR [UN Protection Force] mission. It is clear from the minister's speech that, at least at the moment, the UN mission in Bosnia-Herzegovina is a failure.

[Sacirbegovic] UNPROFOR has failed here not because the peacekeepers cannot establish peace in the middle of a war. UNPROFOR has failed here because it does not have the capacity or the understanding that this is a fight against terrorism. Do not talk to us about principles or how important it is to preserve the United Nations from the consequences of what is happening in Bosnia. The United Nations cannot be preserved, the world and international law cannot be preserved, if terrorism is allowed to continue here with the excuse that it is war. There may be wars elsewhere, but what is happening here is terrorism. This war started as a terrorist campaign, since it did not start as a war against an army, but as a war of genocide.

[Peric] UNPROFOR is not doing anything. Just like Prime Minister Silajdzic said yesterday, the foreign minister today wondered why UNPROFOR was here and in whose interests. The question that I am asking the United Nations is clear: Who needs you?

Muratovic: UN Gave In to Serb Blackmail

AU2706185595 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 27 Jun 95

[FBIS Translated Text] Minister Hasan Muratovic, chairman of the state committee for cooperation with UNPROFOR [UN Protection Force], has sent a letter to General Rupert Smith, commander of the UN forces in our country. The letter says the following:

We have learnt that UNPROFOR has given in to the blackmail by the Serb aggressor's side and has agreed to receive supplies from and via Serbia. I informed Gen. Janvier at our meeting in Zagreb that we know that this was one of the results of the secret talks that he and Gen. de Lapresle held with the Serb aggressor's side.

Such a decision is in contravention of the stipulations of Resolution 820 and is also unacceptable to us for several other reasons. It is also unacceptable and disturbing for the citizens of Sarajevo and Bosnia-Herzegovina to see that UNPROFOR, which is supposed to provide the delivery of humanitarian aid, is trading with those that got us all into this situation.

If this decision is implemented, I believe that it is necessary to warn you that our citizens could react in an unpredictable way. That is why I fear for the safety of the vehicles that might try and enter the airport from the direction of the occupied territory, bringing in supplies from the Serb aggressor's side. Also, we believe that it is immoral and incorrect for you to make every effort to deliver supplies for your own staff, while you do nothing to help provide food for the citizens of Sarajevo. That in fact is your mission, says Minister Muratovic's letter.

Parties Demand Stoltenberg's Dismissal

AU2706192395 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 27 Jun 95

[FBIS Translated Text] Today the representatives of 10 political parties of Bosnia-Herzegovina met in Sarajevo and issued a statement that reads as follows:

Recently, while the EU and the UN have been trying to restart the peace process and end the war in Bosnia-Herzegovina, Mr. Thorvald Stoltenberg, UN cochairman of the peace conference, has made several statements that discredit him completely in this post.

It does not surprise us that those ignorant of our past, our ethnic relations, and our reality cannot understand the reasons for the aggression on our country. They particularly cannot see ways to resolve the overall crisis on the territory of the former Yugoslavia. However, this is unacceptable in a mediator in a peace process that is about to be reopened. The problem is not that an incorrect appraisal of the ethnic origins of the nations living here has been given. Ignorance is no sin.

The problem lies in the wrong political qualifications provided by Mr. 3toltenberg, upon whose decisions depend the final solutions in Bosnia-Herzegovina and primarily our fate. His evidence that the war in Bosnia-Herzegovina is a civil war is because of the fact, which is not a fact, that the Bosniaks and the Croats are Serbs, who at some time in the past converted. Therefore, his theory is not that aggression has been carried out against Bosnia-Herzegovina as an internationally recognized state, and that an act of genocide has been committed against the Bosniaks and Croats, but that it is a temporary misunderstanding within one and the same nation, that is, the Serbian nation, which has been religiously differentiated through history.

The following logical conclusion is that this is a religious war, that is, a separatist movement by outcasts

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of the Serbian nation. Therefore, this is not just a case of one foreigner's complete ignorance, but of the political beliefs of one of the peace mediators, who has been proposing solutions to this war of aggression to international institutions.

For this reason, we stand as one and call upon the Government of the Republic and Federation of Bosnia-Herzegovina to demand officially that Mr. Stoltenberg be removed from the peace process for Bosnia-Herzegovina.

This meeting also gave full support to the Armed Forces of the Republic and Federation of Bosnia-Herzegovina in creating the conditions for the liberation of Sarajevo and the entire Bosnia-Herzegovina. It was unanimously agreed that these forces are the decisive link in the solution to the crisis in Bosnia-Herzegovina and the defeat of the aggressor and all those in the world who supported him in various ways.

The parties signed are: The Party of Democratic Action, the Croatian Democratic Community, the Muslim Bosniak Organization, the Liberal Bosniak Organization, the Social Democratic Party, the Croatian Party of Right, the Republican Party, the Croatian Peasants' Party, the Liberal Party, and the Civic Democratic Party.

Use of 'Chemical Agents' on Vlasic Reported

AU2706111795 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 27 Jun 95

[Report by the Army of Bosnia-Herzegovina 7th Corps Information Service]

[FBIS Translated Text] [Words indistinct] combined artillery-infantry attacks on the defense lines of the soldiers of the Bosnia-Herzegovina Army 7th Corps on Vlasic Plateau, where the aggressor fired over 500 rounds.

[Begin recording] On the same area, the aggressor also fired several rounds filled with irritant chemical agents, whose properties were in due time detected by our fighters and, thus, their ranks suffered no consequences from them.

The enemy continued with his old practice. He fired a few tank grenades at the suburb of Travnik, due to which a general alarm in this town has been in force for the fifth day in a row.

On the Donji Vakuf-Bugojno front, the positions of our soldiers were subjected to sporadic fire of the Chetnik artillery as well as constant fire from antiaircraft and infantry arms. A fierce response by the 7th Corps soldiers repelled all the aggressor's attacks. Intelligence reports claim that the aggressor suffered considerable manpower losses in his latest attacks. This was the information service of the 7th Corps reporting. [end recording]

Poisoned Juice Reportedly Smuggled Into Bihac

AU2706154695 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 27 Jun 95

[Report by Nada al Issa from Zagreb]

[FBIS Translated Excerpt] Fikret Abdic has started conducting a new form of war crime in the Cazin Krajina. Through his smuggling channels, he has infiltrated powdered juice, containing chemical nerve agents and pesticides, into the Bihac region. The juice is called (?Step) and is packed in foil containers.

Chemical analysis at the Bihac Medical Center has determined that this juice most certainly contains poisonous matter, but in what quantity is yet to be established. That is why the Bihac Sanitary Inspectorate is warning the population not to drink any juice called (?Step), as it is poisoned. In medical terms, the juice contains organic phosphate and organic chlorine compounds from the group of nerve-paralyzing chemical agents and pesticides. The Bihac Sanitary Inspectorate has taken measures to have this product removed from the Bihac region. However, it is said in Bihac that there are indications that the identical juice has also been infiltrated into some other free territories of Bosnia-Herzegovina.

The juice containers say that the juice originates from Belgium and was apparently also packed there. However, we have found out from reliable sources that it is more likely that the containers were filled on the occupied Croatian territories and in Velika Kladusa, from where the largest quantities are being infiltrated into the Bihac region. According to reliable information, the whole thing has been organized by war criminal Fikret Abdic, possibly with the help of the Chetniks from the occupied Croatian territory. [passage omitted]

Ganic on Talks With Zubak, Mediators in Zenica

LD2706224595 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 27 Jun 95

[FBIS Translated Excerpt] The setting up of the Bosnia-Herzegovina Federation and the realization of the recent Mostar agreement are still coming up against one or two obstacles in some municipalities. This has been confirmed at the three-day talks between the international observer group, which is being mediated by Christian Schwarz-Schilling, and Herzeg-Bosnian President Kresimir Zubak and Bosnian Vice President Ejup Ganic. Here is a report by Sefik Mujkic:

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The international observer group and the mediator Christian Schwarz-Schilling brought together at a meeting the representatives of the coordinating committees from a total of 11 municipalities in the Zenica-Doboj, Neretva, and Central Bosnia cantons. They again tried to find solutions to dilemmas and differing interests. The subject under discussion was the municipalities of Teslic, Doboj, Zavidovici, Vares, Kresevo, Prozor, Capljina, Stolac, Jablanica, Konjic, and Bugojno. The talks are still in progress with these representatives and the talks will conclude the three-day debate which has been held behind closed doors.

In parallel with this, at a higher level, the Federation leaders, Zubak and Ganic, held talks with the mediator Schilling. [words indistinct] on their departure from Zenica because what they told journalists briefly indicates the opposite. Ejup Ganic stressed that the international group had carried out an exceptionally important task in analysing the situation in each muncipality, and he added:

[Begin Ganic recording] Zubak and I agreed that they sum up everything they have done and draw up their proposals for each municipality and get everyone to agree on them, since not everything has been agreed. Zubak and I will then either accept this proposal, as they suggest, or we will mutually amend it and tell people what we have agreed. [end recording] [passage omitted]

Commentary Views Government Offensive

AU2706180895 Zagreb VJESNIK in Serbo-Croatian 25 Jun 95 p 19

[Commentary by Ivan Sabic: "Was Information About Offensive Deliberately Leaked?"]

[FBIS Translated Excerpt] The flamboyantly announced offensive of the Bosnia-Herzegovina Army, supposed finally to lift the blockade of Sarajevo after more than three years of life under total Serbian encirclement, has not yielded the anticipated results. To judge from the current situation, it seems that the roads leading to the Bosnia-Herzegovina capital will not be passable for quite some time. Although initial reports on the development of the situation on the fronts around Sarajevo had stated that the Bosnia-Herzegovina Army had broken through the Serbian lines in all the directions in which they had attempted this, the continuation of the three-pronged offensive has not been so brilliant.

The Bosnia-Herzegovina Army has not succeeded in taking a single road linking Sarajevo with other parts of Bosnia-Herzegovina. True enough, the liberation of the roads leading to the city from the direction of Mostar and Zenica is by no means an easy task. To break through in the first of the above directions one must liberate Hadzici and Ilidza and, in the second direction, Ilijas and Vogosca, as well as take rather difficult terrain. There is a far easier option: a road that links the Sarajevo suburb of Dobrinja (within the Serbian encirclement) and Hrasnica (outside the Serbian encirclement) where the territory under Serb control is the narrowest. However, this road is the least favorable because, at least as long as Ilidza and Hadzici are under Serb control, Hrasnica would be accessible via Mt. Igman. When the Bosnia-Herzegovina Armed Forces cut the Lukavica-Pale road, it seemed that this was precisely the option for lifting the blockade that would be pursued.

Back to the Beginning?

However, the offensive, which initially raised the hopes of the Sarajevans and was hailed even by those who otherwise did not lean toward a military solution of the crisis in Bosnia-Herzegovina, including Cardinal Vinko Puljic, who stated that something of the kind should have been undertaken earlier, has not produced the expected result. The majority of commentators and reporters agree that the situation around Sarajevo, especially after Serb forces seized the last pieces of heavy weaponry and resumed their artillery attacks on civilian targets in the city, is identical to that at the beginning of the war. The heavy arms' exclusion zone no longer exists, Sarajevo airport has been closed for a long time, the situation with humanitarian convoys arriving in the city is not exactly encouraging, and the city is thus experiencing a water shortage while the supply of natural gas, electricity, and water has also been cut.

The only question is whether the Muslim leadership, when deciding to launch the offensive, had in mind such a development of the situation or somewhat exaggerated the offensive capacity of the Bosnia-Herzegovina Army and the allied Croatian Defense Council forces. From the open announcements of the offensive, which is not exactly a common practice since one loses the element of surprise (in this specific case the possibility of catching the Serb side off guard), it can be concluded that either a very wrong assessment was made in Sarajevo of the balance of power on the Sarajevo front or that the news of the offensive was deliberately leaked for a specific reason.

Many were inclined to conclude from the fact that the Sarajevo authorities last Friday, only a day after publicizing the decision to start the offensive to lift the city's blockade, reacting to numerous appeals to halt immediately the fighting around Sarajevo, put forward the conditions under which this would be done, that with the offensive they specifically and exclusively wanted

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to create an opportunity to issue these conditions and were not actually trying to lift the blockade of Sarajevo. Namely, Muhamed Sacirbegovic, foreign minister of the Government of the Republic and Federation of Bosnia-Herzegovina, in New York, cited a discussion with Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, and outlined conditions for a cessation of hostilities. [passage omitted]

Answer: Known in Advance

Naturally, Sacirbegovic's offer was not accepted and was not even seriously considered anywhere; however, the warnings that the offensive should be immediately halted did not stop coming. Although Serb forces continued their very accurate artillery attacks on Sarajevo hospitals and water lines, these warnings were addressed almost exclusively to the authorities in Sarajevo. Serbian President Slobodan Milosevic took the opportunity to join the ranks of officials of democratic countries by also condemning the Muslim offensive around Sarajevo.

Apart from openly announcing the offensive before it had even started, it is definitely interesting that Bosnia-Herzegovina Prime Minister Haris Silajdzic, when the failure of the operation to "open up" Sarajevo was already on the horizon, said that the Bosnia-Herzegovina Army was not trying to lift the blockade of Sarajevo but rather that its activity was aimed at preventing Serb attacks on the city. This statement in a specific way confirms the premise that the entire military operation, called the lifting of the blockade of Sarajevo, was intended to coerce the UN into taking some steps toward the restoration of the heavy arms' exclusion zone and the reopening of the "blue routes," thanks to which Sarajevo practically forgot about the blockade for a few months last year. [passage omitted]

In spite of everything, this (for the time being unsuccessful) attempt to lift the blockade of Sarajevo should not be deemed totally futile. Apart from demonstrating that the Serb strongholds on the hills around Sarajevo are not invincible, the attempt confirmed that the international community is not capable of finding a consensus even on the issue of ending such blatant torture of innocent civilians, which to the Bosnia-Herzegovina leadership should be a clear indicator of the direction in which further ideas about the lifting of the blockade should go.

Karadzic Offers 'Lasting Cease-Fire'

LD2706204595 Belgrade SRNA in Serbo-Croatian 2022 GMT 27 Jun 95

[FBIS Translated Text] Bijeljina, 27 Jun (SRNA)—We are not prepared to accept a temporary cessation of hostilities and again we are offering more than is being proposed by the international community—a lasting cease-fire followed by the resumption of a conference at which territorial and political questions will be resolved, Radovan Karadzic, president of the Serb Republic, told SRNA in Bijeljina this evening.

"Temporary cease-fires are compromised and have been misused by our enemies for regrouping and the further acquisition of weapons. Hence, we are requesting that the war be brought to an end and that a solution be sought through negotiations, or rather by means of a conference," the president stressed, commenting on the latest conclusions of the European Union heads of state in Cannes.

Dr. Karadzic said that intimations have been received from the office of Carl Bildt, cochairman of the conference on the former Yugoslavia, that in the next few days he will be meeting the leaders of the Bosnian Serb Republic.

"We expect the mediators to definitely contact all sides to the conflict. We are not setting conditions that someone should talk to us and not with the Muslims. On the contrary, I think that talks should be held with the Serbs and with the Muslims," President Karadzic stressed and added:

"This EU decision still does indicate its definite orientation and looks more like a solution of temporary problems. As far as the functioning of humanitarian assistance is concerned, the Serb side has always been willing to talk about this."

The president of the Serb Republic will attend a St. Vitus's day meeting this evening on the occasion of the patron saint's day of the Serb Army.

Emphasizes 'Moral Strength'

LD2706213595 Belgrade SRNA in Serbo-Croatian 1606 GMT 27 Jun 95

[FBIS Translated Text] Sarajevo, 27 Jun (SRNA)—Bosnian Serb President Radovan Karadzic sent greetings to the Defense Ministry, the General Staff, and all officers and soldiers on the Serb Republic's patron saint's day—St. Vitus.

The president's office issued the following statement:

"Having fought for four years for the survival of Serbdom from genocide and annihilation, our Army has joined the ranks of the most glorious Serbian generations ever.

"The entire world has to appreciate the moral strength and the splendor of our moral and spiritual values as the most powerful weapon of our Army.

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"The goals we are fighting for are the highest goals of any people, that is freedom and a state.

"On this day of our saint, we thank and recall all those blessed victims who have died for the Kosovo oath.

"May God help our Army to achieve all our goals and celebrate our saint's day next year in peace."

Mladic Assails UNPROFOR, NATO

LD2706225995 Belgrade SRNA in Serbo-Croatian 2022 GMT 27 Jun 95

[FBIS Translated Text] Sarajevo, 27 Jun (SRNA)—Colonel General Ratko Mladic, commander of the General Staff of the Army of the [Bosnian] Serb Republic, has warned in an interview in the St. Vitus Day edition of SRPSKA VOJSKA that the Muslims and Croats, encouraged by the treacherous help of foreign sponsors, are bent on war to the end and preventing a political solution of the conflict in the former Bosnia-Herzegovina.

"It is no longer a question of the involvement of a foreign factor in this war and Golgotha of all nations, but rather we can talk of the full-blown presence of a foreign factor which is the basic generator of the war," General Mladic said and added that "Western countries, headed by the United States and Germany, have shamelessly taken the side of the Serbs' enemies and become the driving force of their actions."

General Mladic noted that a number of Islamic countries headed by Turkey and Saudi Arabia are also taking a very active part in the war on the territory of the former Bosnia-Herzegovina.

"The Muslims want a Muslim Bosnia as a debt to the Islamic world, which will enable the spread of Islam toward Europe, and the Croats want a Greater Croatia and the spread of Catholicism toward the East," the commander of the General Staff of the Army of the Serb Republic stressed.

According to him some Western and Islamic countries are dictating a perfidious strategy of "low level warfare" in the former Bosnia-Herzegovina in order to realize their own direct and indirect interests with the help of the lives of others' children.

"I have studied strategies of 'low level warfare' and 'indirect action' which are proclaimed by the West and NATO, but we must draw the line and say—enough," General Mladic stressed and added:

"This war did not break out here by chance. It was imposed on the Serbs, and we entered the war against our will in order to defend our lives and territory. Therefore we cannot end the war simply of our own will."

The commander of the General Staff of the Army of the Serb Republic warned that the "Western countries have changed their soldiers, who have spent their entire lives taking part in some wars or other, into the uniforms of UNPROFOR soldiers, given them mandates of Blue Helmets, and brought them to the former Bosnia-Herzegovina and Croatia as mediators to observe, supervise, and arbitrate in the conflict."

"UNPROFOR officers, particularly high-ranking officers, have a dozen wars in foreign countries behind them and not a single war on their home territory. Suddenly these soldiers, who have ravaged and committed crimes, have become those who are supposed to bring peace. Peace does not flourish in such soil," General Mladic said in the interview to SRPSKA VOJSKA.

According to him, "UNPROFOR has not carried out its basic functions nor has it realized agreements signed by its generals, from Morillon to Rose."

"The protected areas of Srebrenica, Zepa, and Gorazde have not been demilitarized although that is how they were defined in agreements, while Sarajevo, Tuzla, and Bihac have not been the subject of talks between the warring sides and have not been defined as protected areas," General Mladic said.

Rupert Smith, commander of the Blue Helmets in the former Bosnia-Herzegovina, does not, according to Mladic, understand the situation. "He arrived arrogant and decorated with some kind of glory from the Gulf and was not able to adjust from his role of soldier to the role of peacemaker."

The commander of the General Staff of the Army of the Serb Republic stressed that General Smith "clearly marked the Serb side as the enemy" and that "together with the Croats and Muslims" he was "planning operations around Sarajevo, which were put to the test in practice with the action on the Brotherhood and Unity bridge."

Despite the anti-Serb behavior of UNPROFOR and its commanders, General Mladic stressed the fact that not a single member of the Blue Helmets has suffered on the Serb side, but that there have been numerous such incidents on Muslim-Croat territory.

Commenting on the role of NATO in the former Bosnia-Herzegovina, the commander of the General Staff of the Army of the Serb Republic said that "Muslim and Croat units are in effect the forward units of NATO."

"The strategists in the West who think that they will fool the world with their Partnership for Peace are making

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a mistake. I think that the expansion of NATO will threaten world peace," General Mladic concluded.

In the interview to SRPSKA VOJSKA, General Mladic assessed that "the Serbian people, in the whole of their existence, have not waged a more difficult, more complex, and more dangerous war," but despite that, they have succeeded in avoiding the genocide "that was planned for the Serbs."

"As an example, on Mount Garevac near Bihac alone, in 1941 the Ustasha forces of the Croat-Muslim coalition liquidated more than 13,000 Serbs, which is many more than the total losses of our Army in this war so far."

The commander of the General Staff of the Army of the Serb Republic warned that the claims of some individuals that the war will end "in so many days or months" are not good.

"This war was imposed on us because of the interests of the power-holders and we must prepare the people to live in the realm of reality and organize them to survive this period with strength, intelligence, and energy. Our aim should not be the affirmation and fame of individuals, whether it be Ratko Mladic or some other, but rather the affirmation of the people, who must survive."

That is why, according to Mladic, "not a single Serb, no matter where he lives on this planet, should be excluded from these times, regardless of when he left these lands."

"We must all return to our roots, achieve all-Serb unity, and contribute to the people's survival of these times and the creation of a united Serbian state based on modern principles."

General Mladic stressed that he has no political ambitions. "Politics has never interested me, except in the sphere of ensuring the maximum unity of the nation and the functioning of the Army."

"All talk of the military leadership being in favor of this or that direction are not true, because we respect the will of the people publicly expressed in the referendums, and any decisions or plans which are made against the will of the people and their leadership have no chance of success," General Mladic concluded his interview for the St. Vitus Day edition of SRPSKA VOJSKA.

Calls For 'Mobilization'

AU2806082295 Paris AFP in English 0648 GMT 28 Jun 95

[FBIS Transcribed Text] Bijeljina, Bosnia-Herzegovina, June 28 (AFP)—Bosnian Serb commander General Ratko Mladic has attempted to whip up Serb patriotism to repel a Bosnian Army push at war anniversary ceremonies continuing Wednesday [28 June].

In a speech late Tuesday at a joint religious and military festival, he urged a "mobilisation of all forces" of the self-declared Serb Republic in a speech heard by soldiers engaged in the fighting as well as Bosnian Serb political leaders.

In the brief speech during a ceremony marking the 606th anniversary of the Battle of Kosovo, when Serbs defeated an Ottoman Turk army [as received], he said his forces were "ready to continue the struggle for their survival."

However he admitted the offensive, which Bosnia launched 13 days ago to try to lift the siege of Sarajevo, had caused "many casualties" and he led a minute's silence.

The anniversary gathering in the theatre of this northern Bosnian town was also attended by Bosnian Serb leader Radovan Karadzic. Ceremonies were due to continue Wednesday.

Surrounded by soldiers in combat gear bearing flags, Mladic said the Serbs "are not kamikaze" but were being forced to "defend their freedom" against the offensive in which they "showed the highest defensive capabilities."

He accused UN forces of "wanting to impose peace by force" and "supporting our enemies." His speech was concluded by a loudly applauded call: "Long live the Serb Republic."

The ceremony, which had started in the presence of the Orthodox bishop of Tuzla with the anthem of the self-declared Serb Republic, continued after his speech with patriotic poems and songs.

Later, to the sound of drum rolls, Karadzic awarded medals to units who had distinguished themselves in the fighting with the Bosnian Army, pinning battle honours to their flags.

Serb General: UNPROFOR Helped Muslims

LD2706214995 Belgrade SRNA in Serbo-Croatian 1928 GMT 27 Jun 95

[FBIS Translated Excerpt] Sarajevo, 27 Jun (SRNA)—Major General Dragomir Milosevic, commander of the Sarajevo-Romanija Corps of the [Bosnian] Serb Republic Army, assesses in tomorrow's edition of GLAS SRPSKI that the situation in the zone of responsibility of his corps following the latest Muslim offensive "is very stable indeed."

"Immediately after the initial strikes by the Muslims, we set about stabilizing our front lines and preparing to face

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the enemy," General Milosevic says, and stresses that the crushing of the Muslim offensive did not come about by chance but was the result of extensive preparations.

"We are preparing a counteroffensive in order to definitively clear the whole region. That is why we are working very hard to deploy our military forces in a more favorable way and create more favorable conditions for the further waging of war. The Muslim leaders are not reconciled to defeat and the situation they face. We are not deceived by the illusion of peace, and hence we must maintain the maximum level of combat readiness of all our units," he assesses.

The corps commander explains that, in the Muslim offensive, the fiercest attacks were directed at the Ilijas area, but adds that the units of the Ilijas brigade succeeded in holding their sector of the front line without being pushed back an inch. [passage omitted]

General Milosevic stresses that the Muslims were helped by foreign mercenaries, units of the Croatian Defense Council, and also "Rapid Reaction Forces of the international community" which, it has been confirmed, "were used in several locations skillfully and secretly, because the Muslims are not such good and precise users of artillery."

"The Muslims, with the help of the UN Protection Force, spent four months preparing the offensive, and this force gave them logistical support to enable them to supply themselves with resources which they always said they lacked," Milosevic points out. [passage omitted]

Serb Official: RRF Requires 'Negotiations'

AU2706125395 Vienna Oesterreich Eins Radio Network in German 1000 GMT 27 Jun 95

[Interview with Aleksa Buha, "foreign minister of the self-proclaimed Serb Republic," by Karl Jekowski in Pale; date not given—recorded]

[FBIS Translated Text] [Jekowski] We are received by the foreign minister of the self-proclaimed Serb Republic for an interview in the brand new government building in the war capital, Pale. For Aleksa Buha, a professor of German philosophy, who has been foreign minister since 1992, the final goal is not the establishment of a Serb Republic in Bosnia, but the unification of all Serbs with the capital, Belgrade. One was very close to peace between Bosnian Serbs, Muslims, and Croats, but it failed as a result of the promises made by the United States toward the Muslims, he says.

What is tragic for Foreign Minister Buha is that the Bosnian Serbs have no allies, and he does not understand the historical resentments that the Germans and Austrians have against the Serbs.

[Buha] I was surprised at how strong the resentment was on the German side. Unfortunately, it is also very strong on the Austrian side. I was surprised that Mock was always outraged when he was talking about the Serbs, that he called for bombings, and so on. One can say that there has been a system of prejudice against the Serbs, a system that has worked all the time. We have had no ally in this war, and we could do nothing at all or hardly anything against it.

[Jekowski] Aleksa Buha admits frankly that the Serbian people in Bosnia are suffering enormously under the war and the sanctions by the remainder of Yugoslavia. He says that differences between Belgrade and Pale are only temporary. The foreign minister then talks about the war:

[Buha] We can continue the war. I am firmly convinced that the Muslims cannot defeat us. One must not forget that we are 10 million, and the Muslims only 2 million. At the moment, only the Serbs from the former Bosnia-Herzegovina are fighting. If the war continues, one will have to expect that we will be supported in this war by Serbs from other parts.

[Jekowski] The Bosnian Serbs do not enjoy the best of reputations. The world partly understands that the Serbs are fighting against the Muslims on the front line, but the world does not understand that the Serbs are firing shells at innocent children and old people.

[Buha] Well, this is a civil war, and such things happen on our side, too. Shells are fired also from the Muslim and Croatian side. Doboj, for example, has been shelled for months. But that is not a problem for the international community. The problem is what the Serbs are doing.

[Jekowski] Regarding the new mandate of the United Nations, the Rapid Reaction Force [RRF], Buha argues that this will first require negotiations with the Bosnian Serbs.

Rejects Recognition Conditions

AU2706155795 Banja Luka GLAS SRPSKI in Serbo-Croatian 24-25 Jun 95 p 2

[Statement by "Serb Republic Foreign Minister" Aleksa Buha for GLAS SRPSKI; place and date not given: "What B. Jovanovic Advocates?"]

[FBIS Translated Text] Commenting on the statement by [FRY and Serbian Foreign] Minister Vladislav Jovanovic to the Paris LIBERATION newspaper about

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the three conditions that Bosnia-Herzegovina and Croatia must meet in order to be recognized by the Federal Republic of Yugoslavia, namely, that Sarajevo and Zagreb recognize Yugoslavia, that they acknowledge "the legal position of the Serbian minorities," and that the international community abolishes sanctions against Yugoslavia, Serb Republic [Serb-held entity in Bosnia-Herzegovina] Foreign Minister Aleksa Buha said the following to GLAS SRPSKI:

"Although I know very well that journalists can manipulate every word and especially every sentence, I cannot rid myself of the impression that the French journalist nevertheless made up the above conditions on the basis of views aired by Minister Jovanovic. As for the first condition, one has to say that it is odd that the existence of two Serbian states apart from Sarajevo and Zagreb escaped Minister Jovanovic's memory. There can be no recognition of Sarajevo or Zagreb as long as the Serb Republic and the Republic of Serbian Krajina are not recognized. If Minister Jovanovic believes that these two Serbian republics are within Yugoslavia, as his statements imply, then this should be stated clearly.

"Unfortunately, the formulation of the second condition suggests that this is not the case. Namely, had Minister Jovanovic had this in mind he would not have demanded in the second condition the minority rights for the Serbs within the framework of the so-called Contact Group. What Minister Jovanovic seeks for the Serbs in the former Bosnia-Herzegovina is well beneath what the notorious Contact Group has demanded so far. Namely, the group demands that the Serbs remain in the Union of the Bosniak-Croat Federation and the Serbian Republic. Therefore, for this group, too, the so-called Republic of Bosnia-Herzegovina does not exist. It would, thus, not be in harmony with the course of events if Belgrade failed to recognize this situation.

"I only agree in one point with Minister Jovanovic, namely, that the sanctions against Yugoslavia must be lifted irreversibly. However, this lifting must not be linked to the new demands. Yugoslavia has the right to stress that in this respect it has long fulfilled all the conditions."

Serbs Receive Humanitarian Aid From Athens

LD2706190695 Belgrade SRNA in Serbo-Croatian 1127 GMT 27 Jun 95

[FBIS Translated Excerpt] Banja Luka, 27 Jun, (SRNA)—This morning, more than DM5 million [German marks] worth of Greek humanitarian aid arrived in Banja Luka in the organization of the Serb-Greek Friendship Association from Athens. The aid was sent by individuals and companies from the Greek capital.

The aid consists of food, medicine, and clothes for refugees, people living below the poverty level, and hospitals in this part of the Bosnian Serb Republic. [passage omitted]

SRNA learned from the association's headquarters in Banja Luka that in 15 days the friendly Greek people will send humanitarian aid worth more than DM9 million. [passage omitted]

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Zuzul: First Objective Is Reintegration

AU2706131595 Zagreb VECERNJI LIST in Serbo-Croatian 23 Jun 95 p 7

[Interview with Dr. Miomir Zuzul, Croatian ambassador to the UN in Geneva, by Visnja Staresina; place and date not given: "Last Chance for Knin Serbs"]

[FBIS Translated Excerpt] The world community is looking for a way to start new negotiations on Bosnia-Herzegovina. We have talked to Miomir Zuzul, president Tudjman's special envoy for negotiations on Bosnia-Herzegovina and Croatian ambassador to the UN in Geneva, about possible influence of military actions on negotiations and of diplomatic initiatives on present military actions.

New Diplomatic Initiative

[Staresina] New cochairman Bildt has the task of starting new negotiations on Bosnia-Herzegovina. What kinds of negotiations are we talking about, on the basis of what plans, and do you think it is now time for them?

[Zuzul] I think we are talking only about preparations for a new diplomatic initiative, that is, negotiations. One, almost infallible, rule proved so far in this war is that warfare and negotiations alternate in cycles—a phase of warfare, a phase of negotiations. It seems to me that the present phase of war is still far from its culmination, and I do not believe that the negotiations will start until the war phase calms down a bit. [passage omitted]

War Logic and Negotiations

[Staresina] According to your judgment, do the military actions performed by HVO [Croat Defense Council] in the Knin hinterland and around the Posavina region "corridor" lead toward the beginning of real negotiations or toward spreading of total war, as some Western diplomats warn?

[Zuzul] At this moment, the war logic in Bosnia-Herzegovina brings the Serbs in Knin quickly to a decision on whether they would accept negotiations as they have been offered by the Republic of Croatia so far. In fact, that could be their last chance. It does not refer to the contents of what is offered, because we will not change either the Constitutional Law, or the Minority Law, if the Serbs keep on refusing negotiations. But this is, perhaps, the last chance they will be offered to reach agreement on their application together with the Croatian Government.

If they continue to refuse, and if the present military situation in Bosnia-Herzegovina continues, then it would be senseless and illogical for us to interrupt a development that is favorable for us in order to continue to wait for them to decide to negotiate. Our first objective is reintegration of the occupied areas, and negotiations are only one of the ways to achieve that.

[Staresina] So, the point is to take whatever is possible while waiting for negotiations?

[Zuzul] The point is to be open to negotiations, and as long as the situation in Bosnia-Herzegovina develops favorably for us—as it now is, because the Serbs are apparently being defeated on all fronts—it would be stupid of us to try to stop that process.

[Staresina] Even despite demands from the international community to halt offensive activities?

[Zuzul] I think that the international community, too, has realized how absurd such condemnations are, and those sent now can be understood more as a warning to Croatia. But we have always clearly emphasized that Croatia has two objectives: one is to establish ties with the international community, and the other one—or in fact, the first—is to establish Croatian control of the entire area. If developments leads to that objective, it would be absurd for anyone from abroad to ask Croatia to interrupt the solution to its existential issue—its integrity.

In a situation where Croatian Serbs declare unification with Bosnian Serbs, so much that they suffer defeats, no one can ask Croatia to stop only because it is thought that perhaps in five years a solution would result from negotiations. This is not warmongering; we are always open for negotiations, but we are not going to miss opportunities that are going our way.

Rapid Reaction Forces—Too Slow

[Staresina] Can Rapid Reaction Forces disturb the present course of military events in Bosnia-Herzegovina?

[Zuzul] It seems to me that those forces have not been fast enough to disturb the logic. Meanwhile, four very serious fronts have opened in Bosnia-Herzegovina, and the Serbs, who have so far always chosen the time and place of fighting, now find themselves in a situation in which they have to defend themselves in four places, and, their forces being limited in number, they suffer defeats on all four fronts.

I believe that, after this round of war, the chances for accepting the Contact Group plan will be much greater than before. There are certain ideas about organization of a peace conference, but they have been coming from different sides and differ in content. I would not rule out the possibility that such a conference or a

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summit, at which all those interested in a solution to the crisis would gather, really takes place one day. Croatia has supported and still supports such an idea, but on condition that the conference be well prepared.

New Yugoslav Formation Has No Chance

[Staresina] According to some prognoses, including recent analyses of the International Strategic Studies Institute in London, the Federation of Bosnia-Herzegovina is very fragile, and the resumption of Croat-Muslim conflicts very probable. How much do those estimations correspond to your thinking?

[Zuzul] It seems to me that the most recent developments in Bosnia-Herzegovina eloquently deny such prognoses. When such prognoses are being issued, and they are being issued almost always from the same places, it does not hurt to ask oneself is it not, in fact, a tendency to render one's own political wishes as impartial scientific prognoses. I do not believe that such prognoses can come true. [passage omitted]

[Box, p 7]

Always Ready To Negotiate

[Staresina] At the last meeting of the executive board of the conference on the former Yugoslavia, both Ambassador Galbraith and Mr. Akashi asked for as quick a resumption as possible of negotiations between the Croatian Government and Serb officials from Knin. Is Croatia ready at this moment to enter such negotiations, and is the Zagreb-4 [Z-4] plan a realistic basis for them?

[Zuzul] We are always ready to negotiate. Regarding the Z-4 plan, even before the operation in western Slavonia and actions around Knin, we were pointing out that the basis of the plan was acceptable, and is contained in the laws and regulations already adopted by Croatia. That means the Z-4 as a topic is utterly unnecessary, and it is certain that at this moment we cannot negotiate on the basis of such a topic. The question is whether the negotiations, when it comes to them, continue in the form of the Z-4 plan, that is, will the negotiations be modeled by four envoys who are simultaneously the authors of the plan. When we now talk about the negotiations based upon that plan, it seems to me that the form of negotiations is given more thought than the contents of the plan itself. However, apparently the negotiations cannot start until certain changes occur on the Serb side, until those who are ready for these changes take over the leadership. It is absolutely not Milan Martic.

[Staresina] Is it Milan Babic?

[Zuzul] It is hard to tell. Based on his recent statements, it seems he is not. But it is also known that most of those statements are made for the demands of domestic policy. If he is ready to talk on the basis of a platform determined by the Croatian Constitution and Croatian laws, I think he can be acceptable as a negotiator.

Serb Party Demands 'War Crimes' Explanation

LD2706190995 Belgrade TANJUG Domestic Service in Serbo-Croatian 1204 GMT 27 Jun 95

[FBIS Translated Text] Zagreb, 27 Jun (TANJUG)—The Zagreb-based Serb National Party today sent an open letter to Croatia's State Prosecutor's Office demanding that it explain what has been done against those who committed crimes over the past four years of the war, particularly against the Serb population [in Croatia].

The letter, signed by Serb National Party leader Milan Djukic, says that numerous reports by international and domestic institutions confirm that war crimes were also committed against the civilian population [in Croatia]. Particular attention is devoted to crimes against Serb citizens in Gospic, Pakracka Poljana, and Karlobag, as well as the case of the Serb family Zec in Zagreb.

It is not known if any of the cited cases have been completely investigated or if the culprits have been charged and convicted, the letter says. It demands that a report be submitted by Croatia's State Prosecutor's Office.

Jarcevic Admits FRY Helps Mobilize Refugees

AU2706155095 Belgrade NASA BORBA in Serbo-Croatian 27 Jun 95 p 2

[Article by N.O.: "It Is Quite Normal for the FRY To Send Them Back Where They Came From"]

[FBIS Translated Text] Belgrade—Slobodan Jarcevic [Martic adviser] did not believe that the press conference organized in honor of the RSK [Republic of Serb Krajina] office in Paris was the right place to discuss mobilization, and he deemed the journalists' questions malicious. Jarcevic said: "If you reporters know a better way than mobilization to defend the Serb people on the borders, along which Croatia has deployed a force of 150,000 troops, please say so." In response to whether it is true that only "criminals" from the RSK are being

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mobilized on the territory of the Federal Republic of Yugoslavia [FRY], Jarcevic explained that the "criminals" are those who illegally employ Krajina citizens, and added:

"The FRY has people residing on its territory who are not citizens and it is quite normal for it to send them back from where they came. This is completely normal," Slobodan Jarcevic stressed.

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Party Interests Seen Hindering Privatization

AU2706131995 Skopje NOVA MAKEDONIJA in Macedonian 26 Jun 95 p 2

[Commentary by Erol Rizaov: "Who Is Stopping Privatization?"]

[FBIS Translated Text] The privatization process in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] is slowing down.

Something strenuous is going on between the government and its commissions on the one side and the Privatization Agency on the other. It is impossible to find out the essence of the disagreement because of the scant statements given by the protagonists. However, things are apparently not moving in the right direction. To be more precise, things are moving badly. Someone is stopping the transformation of state-owned capital, which is the biggest and the most Important project for the successful change of the political and economic system in our state.

Five years after the pronouncement of the new multiparty parliamentary political system, the social transformation is entering a critical phase. Now that several hundred state-owned enterprises have been privatized and the evaluation of hundreds of other enterprises has been completed and one is just waiting for the Agency's decision, all of a sudden the government's and Agency's positions on how privatization should proceed differ, causing misunderstandings, suspicion, and confusion. They have forgotten all about the law that was unanimously adopted in the Assembly of the Republic of Macedonia two years ago. Instead of acting in accordance with that law, they have started secret discussions filled with passion and emotion. The public believes that state-owned capital is being plundered and that privatization is a total failure. This negative feeling and mistrust came as a result of the behavior of those who are responsible for the transformation of state-owned capital. It is true that everywhere in the world privatization is accompanied by mistrust and errors, but we would not be what we are if we did not have our own particulars.

More Secret Than Public

What is all this actually about?

The biggest, and now visible error, is the fact that privatization has started to be implemented in a secret instead of a public way. It has been forgotten that privatization is a public act. Full publicity is one of the basic preconditions for a successful and less painful transformation of property.

After a series of privatizations, at the in Skopje Brewery, in "Fersped" [transport company], "Makedonija Sport" [sport equipment company], and particularly after the managerial teams became the owners of these companies, the government's attitude toward the law that it itself had proposed changed. Instead of going on with the timing as envisaged by the law, in spite of the fact that the first privatizations were severely criticized, and instead of enduring all the pressures in the deep belief that this is a historic step, the ruling parties began introducing new rules outside the law and the economic criteria. Political positions started being applied differently for each individual case, depending on the political and personal interests of the ruling team. A number of cases involving influential figures arose, such as the cases of "Makedonija sport" and Skopje Fair, which caused great unrest among the public and which have a negative impact on privatization, which is a vital process for new system.

Now there are situations in which the rich, powerful, and politically relevant enterprises can be privatized with little effort, others cannot be privatized at all, while there are some that are privatized with the agreement of the ruling parties. The law is sometimes respected, while at other times it is ignored. New yardsticks and criteria are being invented, allegedly for the protection of state property and interests, while it is actually for the sake of party or personal interests, or the interests of some ministries, delegates, or other persons who belong to powerful economic groups.

Word has spread among the public that the coalition has, first of all and normally, in accordance with the law, "its own" enterprises, which have extended financial assistance to last year's election of the Alliance [for Macedonia] and are still supporting it. For them the law is irrelevant, it is political criteria that are valid. It is clear that it is going to be fatal for Macedonia if the parties start distributing and selling enterprises on the basis of their own interests. All expert assessments say that privatization must not become an act of political influence and pressure, so that the privatized companies are transformed into the main source and base for the creation of party capital.

Party and Personal Interests

According to the law, the government can only influence and act together with public enterprises in deciding about the leading team. Its competence in the privatization is small, and this is how the government should act. If the government is really aware that something is wrong with its law and that something is not being implemented according to the law, there is a democratic way to make the necessary changes, or to apply the necessary sanctions in case the law is violated. Amendments to the law are to be made in parliament, and not

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in closed ministerial and party cabinets. It is high time the government said what is wrong with the privatization process instead of stopping it, as it is publicly believed. According to the Law on Transformation of State-Owned Capital, the Government may make corrections only if the law is not respected. Everything else falls within the competence of the Privatization Agency, of the workers' collectives, and the workers themselves. According to the law, they are the ones to choose the most suitable models for their transformation.

The government is the last to select the buyer of the enterprise, and it is not allowed to stop the privatization of some enterprises because of any interests whatsoever, provided that all legal forms are fulfilled.

In this situation, instead of insisting on respect for the law that it voted for, the opposition is now offering new solutions that are doing more to create mistrust than to help an extremely important historic process. It is immaterial to offer new "alibis" and models when it is clear that power should be seized first and then laws in parliament adopted in a democratic way. The opposition's present warnings go in the wrong direction. Instead of insisting on public work, on respect for the law, and then evaluating the success of the privatization, criticism and emotion are directed against the models and the new owners that have legal support.

Finally, the government, being pressed by other party and personal interests, has forgotten that privatization is the most important factor in the implementation of not only the reform, but the new political and economic system in general. If it is not resolute in giving full support to the law and if it does not allow the privatization to run as smoothly as it did at the beginning of the year (although with a delay of four years), Macedonia will continue to have a multiparty political system and a socialist self-managed economy. Of course, there will be a dozen privatized enterprises in which some political parties and persons are interested. Normally, such a situation is untenable, in either the political or the economic sense. There will be a dreadful outburst of dissatisfaction if the continuation of privatization is obstructed. The different opinions have to be taken into consideration but their importance is not decisive.

The unsuccessful implementation of the privatization, or its semi-implementation with disregard to the law, will certainly lead to a general dissatisfaction and new elections. An authority that cannot implement privatization cannot hope to avoid the consequences.

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Walesa Returns; Comments on Clinton Talks

LD2706160395 Warsaw Polskie Radio First Program Network in Polish 1400 GMT 27 Jun 95

[FBIS Translated Text] President Lech Walesa has said that Bill Clinton assured him that Poland does not need to fear Russian missiles being aimed against Poland's territory. Lech Walesa said this after his return from a three-day visit to the United States where he took part in ceremonies marking the 50th anniversary of the United Nations. The president also said that he discussed with President Bill Clinton the need for Poland's quick integration with Western European and NATO structures. The conversation focused on how to make the functioning of the United Nations more effective in order to prevent conflicts similar to that in Yugoslavia.

[Begin Walesa recording] Of course, we discussed that issue but the subject of the United Nations Organization was the most important one. The 21st century will require more effective solutions. We are now faced with Yugoslavia, where the United Nations has not proved effective. We mainly discussed what to do to make the United Nations an effective organization, in order to be able to resolve all problems at this forum.

If the United States wants to withdraw from Europe slowly—it was I who pointed out this issue—Europe should change its geography and expand both NATO and its economic achievements. Then the United States will have a chance to deal less with Europe. Today it is simply indispensable.

In my opinion, first and foremost, the United Nations must improve its effectiveness. [end recording]

Asked whether the issue of Fr. Jankowski's sermon had been touched upon during the conversation with Bill Clinton, Lech Walesa replied that it was only a marginal subject, blown out of proportion by journalists.

Clinton Missiles Remark Denied

LD2706205195 Warsaw TVP Television Second Program Network in Polish 1900 GMT 27 Jun 95

[Relayed by Warsaw Polonia TV Network in Polish]

[FBIS Translated Text] A report given by some media, which stated that President Clinton allegedly gave President Lech Walesa assurances that Poland does not need to fear Russian missiles being aimed at Poland's territory after joining NATO, is completely untrue, reads Presidential Spokesman Leszek Spalinski's statement.

President Walesa Meets U.S. Defense Secretary

LD2706195995 Warsaw TVP First Program Network in Polish 1730 GMT 27 Jun 95

[Relayed by Warsaw TV Polonia Network]

[FBIS Translated Text] Late on the afternoon of 27 June, William Perry met President Lech Walesa. The meeting at the presidential palace ended a few minutes ago. Our reporter Katarzyna Koleda-Zaleska has the following:

[Koleda-Zaleska] The meeting really ended just a moment ago. It lasted half an hour longer than scheduled.

Presidential Spokesman Leszek Spalinski told me that U.S. Secretary of Defense William Perry again confirmed that Poland will be one of the first countries that will join NATO and that we can fulfill best the conditions of the Partnership for Peace program.

Lech Walesa, in a similar way in which he had done it in the conversation with U.S. President Bill Clinton earlier in San Francisco, warned that now was the time to take decisions. In the future, it may be too late to expand NATO.

Oleksy, Perry Discuss NATO

LD2806111995 Warsaw PAP in Polish 1055 GMT 28 Jun 95

[FBIS Translated Text] Warsaw, 28 Jun—Prime Minister Jozef Oleksy and U.S. Defense Secretary William Perry talked over breakfast this morning about Poland's aspirations and interests with regard to our access to the NATO structures. The meeting was also attended by National Defense Minister Zbigniew Okonski, the government press office announced in a communique for PAP.

"We talked about what has to be done to ensure that everyone receives Polish aspirations to NATO in a calm and natural manner," the prime minister said after the meeting. He added that issues connected with Perry's visit to Moscow were also raised, as well as issues concerning cooperation among the states of Central and Eastern Europe.

William Perry told the prime minister that the U.S. side has decided to give assistance to Poland in modernizing the Polish Army and to continue cooperation within the Partnership for Peace.

"We also appreciate that further modernization of the Armed Forces depends on economic development," the U.S. guest said.

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Perry Sums Up Visit

LD2806090595 Warsaw PAP in Polish 0846 GMT 28 Jun 95

[FBIS Translated Excerpt] Warsaw, 28 Jun—Ending his 24-hour official visit to Poland, U.S. Secretary of Defense William J. Perry said today that the visit has strengthened the links between our states even further.

He stressed that during the talks about Polish Armed Forces' modernization, the sale of American arms was not discussed, but a possible transfer of technology enabling Poland to manufacture selected items of military equipment was discussed. He mentioned tactical radio stations with which Polish and American troops, serving in peace missions, could cooperate together. The secretary of defense assured that the United States will assist Poland in the modernization of its Armed Forces. He also stated that Poland is making progress in civilian and democratic control over the army. [passage omitted]

Perry Visit 'Significant'

LD2706194095 Warsaw TVP First Program Network in Polish 1730 GMT 27 Jun 95

[Relayed by Warsaw TV Polonia Network]

[FBIS Translated Text] On 27 June, U.S. Secretary of Defense William Perry made assurances in Warsaw that any withdrawal by the United States from its undertakings made earlier was out of the question. Perry is against changing the NATO treaty which guarantees security to member states, as well as those states which will join NATO in the future.

[Begin Perry recording, in English with superimposed Polish translation] Poland, as soon as it becomes a full-fledged member, should have a full security guarantee. [end recording]

Perry pointed out that to confirm the good intentions of the United States Bill Clinton had proposed in the draft budget submitted to the Congress that $100 million should be earmarked for the implementation of the Partnership for Peace program. Poland would get $25 million out of this amount. This money would be allocated for the Polish arms industry and the modernization of the armed forces. However, Perry admitted that the final decision depended on the American Congress.

According to Polish Defense Minister Wojciech Okonski, Perry's visit to Poland was of great political significance.

[Begin Okonski recording] It is perhaps a significant fact that William Perry came to Warsaw before his visit to Moscow. [end recording]

During meetings in Warsaw with the heads of the General Staff and Polish parliamentarians, Perry emphasized that the joining of NATO should be preceded by active participation in the Partnership for Peace. In his opinion, this is the key program to ensure security in Europe.

[Begin Perry recording, in English with superimposed Polish translation] We would like Russia to understand that it should not see a threat in NATO and that the Partnership for Peace program is not about drawing new lines in Europe. [end recording]

Late in the afternoon, the American guest met with President Lech Walesa.

Daily Views Perry Visit

WS2806141095 Warsaw NOWA EUROPA in Polish 28 Jun 95 p 2

[Untitled commentary by Adam Soful]

[FBIS Translated Text] U.S. Defense Secretary William J. Perry has not said anything new during his visit in Poland. The U.S. stance on expanding NATO is well known: It is an issue for the future, while for the time being we have the Partnership for Peace. The visit itself may prove that the United States treats Poland's pro-NATO aspirations very seriously. The U.S. defense secretary did not hide the fact that Poland has a good starting position in its race towards NATO. He also said, however, that this will not be a sprint, but more of a long obstacle course.

Commentary on Civilian Control of Army

WS2706125395 Warsaw POLSKA ZBROJNA in Polish 26 Jun 95 p 1

[Commentary by Colonel Tadeusz Mitek: "Army Expects Unambiguous Rules"]

[FBIS Translated Text] A certain paradox has been created in everything that is going on in the Armed Forces. On the one hand, the Army has been for a long time the state institution which arouses the supreme confidence of society, and on the other hand, it had to prove that it is not a Trojan horse used against society, that it does not hit at democracy, it is not "a state within the state," and does not evade external control.

Let us disregard cabinet changes and everyday circumstances that created this paradoxical situation; let us move it from the high level of cabinets to the level of training grounds, on which the everyday service of soldiers is continuing. On these grounds nobody thinks about any "coup d'etat" against democracy or the constitutional order. There is, however, growing irritation and

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a feeling of embarrassment caused not only by thoughtless journalism, but also by pushing and shoving into the Chancellery with various letters and remarks. Thus, let us look at it as if it did not concern the main force of stabilization in the country, but rather the location of the nearest coffee klatch.

Being irritated by this situation, the military cadre are not effected by military circles and do not reject any criticism of the principle of "fundamental protest" against "hitting at the Armed Forces of the Republic of Poland." The cadre do not demand autonomy for the forces of the state or any special privileges; they do not contradict the rules of civil democracy. They do, however, want clear rules not only where they work, but also where they serve. And they expect from the authorities the formulation and observance of such principles or rules.

The reasoning is as follows: Let you gentlemen kindly decide among yourselves what civilian and democratic control over the Polish Armed Forces is to be; whose functions and what sectors of the Defense Ministry are or are not a "political landing" [politzcz ny desant]; who is in charge and gives orders, and so on. Instead of turning the exchange of remarks into a public show (who knew and who did not know what), provide legislative and material conditions for carrying out professional duties. Those duties are no trivial matter, for they pertain to the very foundations of state security.

Encouraged by our readers, we plan to organize in the near future two discussions concerning the slogan: Armed Forces in the democratic system. We would like figures from the world of politics to take part in one discussion, and representatives of various levels of the commanding cadre of the Armed Forces in the other. We hope that our invitations will not be rejected and that discussions will produce the desired effect—that we will get better acquainted with our views and mutual expectations.

Ministers Compromise on Pension Indexation

WS2706115495 Warsaw RZECZPOSPOLITA in Polish 26 Jun 95 p 1

[Article by "K.J.": "The Government Has Reached a Compromise; Pensions Will Grow by 2.5 Percent"]

[FBIS Translated Text] Pensions will be indexed in 1996 so as to ensure their growth by 2.5 percent. After cabinet ministers succeeded in reaching a compromise on Saturday, next year's budget is now short some 600,000-1.1 billion zlotys [Z] (apart from the Z9.7 billion deficit that has been provided for). The government will try to get the missing sum from customs and taxes: VAT and excise.

Earlier (on Friday), the government decided that a 20 percent tax on capital income will become effective on 1 January 1997. As early as 1996, however, housing allowances within the income tax will be calculated according to new principles. The housing allowance, huge as it is, will be raised to Z60,000, but that sum will remain unchanged over the next five years. Renovation tax breaks for owners of apartments and houses will be 20 percent of that sum, and for renters—10 percent. Both will be effective for five years. Beginning next year, commercial partnerships will be allowed to form tax capital groups.

The tax on imports will be lowered from 5 percent to 3 percent next year.

Pensions

On the next day, (Saturday), the ministers were to decide which variant for indexing pensions was to be adopted: The one suggested by the finance minister, providing that the real value of pensions for former employees and individual farmers is to grow by 1.6 and 1.8 percent respectively, or the one suggested by the labor minister, according to which the real value of pensions would increase by 3.0-5.5 percent next year.

A compromise was reached—pensions will be indexed so that their real value grows by 2.5 percent next year.

Pensions will be indexed—just as they currently are—according to earnings, but only by an index based on the growth of earnings. The finance minister wanted this index to be 0.1 percent in March (meaning that if, for example, salaries grew by 15 percent, pensions would be indexed by 1.5 percent), and 0.2 percent in December (thus if salaries grew by, for example, 20 percent, pensions would be indexed by 4 percent). The labor minister protested, suggesting an index of 0.6-0.8 percent. The compromise reached on Saturday means that in 1996 pensions will definitely be indexed by more than 0.2 percent and less than 0.6 percent than the growth of earnings.

There were no controversies as to the projected growth of the basic indexation sum [kwota bazowa waloryzacji]: in March, between 93 and 94 percent, and, in December, from 94 to 95 percent.

It still remains unknown how much of the deficit that was unaccounted for was reduced due to the agreement reached on Saturday. Our estimates show this to be approximately Z4-4.5 billion.

As we have already reported, all the draft tax regulations passed by the government must now be approved by the parliament and the president.

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1996 Budget Projections After Saturday's Cabinet Session

Item	Billions of Zlotys
Incomes	100.6
Expenses	110.9-111.4
Deficit	10.3-10.8
Accountable deficit	9.7

Finance Minister on Budget, Privatization

WS2806113095 Warsaw RZECZPOSPOLITA in Polish 22 Jun 95 pp 1, 9

[Interview with Professor Grzegorz Kolodko, Polish deputy prime minister and finance minister, by Katarzyna Jedrzejewska and Piotr Aleksandrowicz; place and date not given: "I Do Not Want a Poorly Prepared Budget"]

[FBIS Translated Excerpt] [Passage omitted] [RZECZPOSPOLITA] Have the projections for the 1996 budget been agreed upon with the National Bank of Poland [NBP]?

[Kolodko] In principle yes, they have, as far as the money supply, zloty devaluation plan, and interest rates are concerned. We have also agreed on the level of profit payments which NBP should make; this level would be more than 13 percent lower in 1996 than in 1995. The central bank, however, draws attention to the fact that it will be very difficult to keep inflation down at the level of 17 percent next year. I am fully aware of this and therefore, am all the more determined to defend the proportions which are indispensable from this point of view. What remains to be discussed is whether all the necessary conditions will be met to keep inflation at such a low level.

[RZECZPOSPOLITA] Will the deficit be financed by NBP?

[Kolodko] If it proves possible to defend the idea of a deficit not exceeding 2.8 percent of GDP, then we should not use that source of financing. This is closely related to the elimination of budgetary sources of inflation. This is why the deficit requires financing outside the central bank, and not only in the banking system. We want to reach out to extrabanking resources and to the global capital market. We are doing so this year, even these days.

[RZECZPOSPOLITA] In line with budget projections, foreign financing will be limited. Is it really limited, or is it so that the authors of the budget do not want to increase the foreign debt?

[Kolodko] I should not answer this question.

[RZECZPOSPOLITA] Why?

[Kolodko] Because there are people—especially ones who do not really think about the future—who believe that no matter where one borrows money, the money should be borrowed and consumed. I do not think that we should consume as much as we are consuming now. In addition, we should not do this at the cost of our future. Investments are a different story.

[RZECZPOSPOLITA] That means that we should not increase foreign financing even if there were such possibilities?

[Kolodko] It is in the strategic interests of the state and of the people not to incur excessive debts. Next year, however, a certain level of indebtedness and of its increase has already been determined and is absolutely necessary. Otherwise we would not be able to prepare the state's budget; now, it is also in the interests of the state and of the people to prepare the budget. What I mean is a reasonable budget, one that would help us continue to carry out priority tasks, such as a quick rate of economic growth, economic stabilization, and reduction of the social costs of reforms; the latter should manifest itself in an increase in wages and benefits, as well as in a decrease in unemployment.

There arises the question, however, of the structure of financing the approximately 10 billion zlotys which must be borrowed at taxpayers' cost in the future. We obtained a favorable rating [preceding word in English], that is, assessment of our ability to pay debts. Thus, there is a possibility of using the global capital market. [passage omitted]

[RZECZPOSPOLITA] Revenues from privatization will decrease, in real terms, by one-fourth. In line with official explanations, this will be because next year the sector privatization will differ from this year's, such as

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the privatization of the tobacco industry this year. No matter what the explanations are, this represents a real decrease.

[Kolodko] Indeed, the nominal revenues would remain at this year's level, even though they would be higher than the revenues obtained in recent years anyway. The question is whether this is a little or a lot. Minister Kaczmarek keeps telling me that these plans are very tight.

[RZECZPOSPOLITA] Perhaps they are tight, but is the reason for it that the government does not want privatization?

[Kolodko] That is not true. Our government differs from previous cabinets in that it is definitely privatizing more companies. If you like, you may compare the revenues in 1992 and 1993 with what we are doing in 1995.

The problem must be seen as follows: Should we privatize companies with a view to provide as much revenue for the state budget as possible, even though several fundamental problems as to how these revenues should be spent remain unresolved... Of course, it is possible to sell Polska Miedz [highly profitable copper mining and metallurgy company] right away, receive a lot of money for it, and then use it all up. This, however, is not politics. Here is a question I would like to ask you: If revenues from the privatization process in 1999 are smaller than in 1995, will you still claim that privatization has been slowed down? After all, it must be remembered that this process will be completed someday...

[RZECZPOSPOLITA] ...The issue of the oil sector has been set aside; telecommunications—set aside; Polska Miedz—unknown. Finally, far more than half of all industry is owned by the state.

[Kolodko] And a very good thing, too, because there is enough to privatize and to reprivatize—in the future. Now, if we are to privatize Polska Miedz, telecommunications, etc.—just to provide money for additional financing of pensions, then it is not a good policy and it is not worthwhile. Capital revenues should finance capital spending; however, such a mechanism still has to be established. We will continue the privatization process, and in doing so we will think about the total revenues of the state budget and remember about the need to earmark some of the nonprivatized reserves for compensation funds—rulings of the Constitutional Tribunal have obligated us to pay pensioners additional money. We must also remember to provide additional capital for retirement funds for future generations of pensioners. It must also be remembered that the revenues of the companies which have been privatized are not at all bigger than they would be if they had not been privatized. There is also one more problem—there are certain limits to demand in the market. [passage omitted]

Daily Notes Disputes, Grudges in Coalition

WS2806114195 Warsaw RZECZPOSPOLITA in Polish 26 Jun 95 p 5

[Article by Jan Bazyl Lipszyc: "SLD-PSL Coalition; More and More Complaints and Grudges Pile Up"]

[FBIS Translated Text] In official statements politicians of the Polish Peasant Party [PSL] and the Democratic Left Alliance [SLD] deny that the coalition's stability is threatened. However, they lead us to believe that there are serious misunderstandings.

On 23 June ZYCIE WARSZAWY reported that the peasants put forward a proposal to form a government with the Freedom Union [UW]. This was to be a reaction to the ostentatious absence of leftist senators from the voting on accepting Janusz Wojciechowski as president of the Supreme Chamber of Control [NIK]. It became possible to approve Wojciechowski's candidacy thanks to the presence of UW senators.

PSL politicians said that SLD senators had not taken part in the voting because they demanded PSL's support to recall public television director Wieslaw Walendziak. Thus, this was to be a deal—Wojciechowski for Walendziak—which the peasants turned down.

On the following day, Prime Minister Jozef Oleksy denied that there were any misunderstandings in the coalition over appointments in NIK and the Polish Television. He did mention, however, another problem: the fact that PSL's stand on the draft law on commercialization and privatization of state-owned companies differed from the stance that had been agreed earlier. Yet it turned out that SLD had given in to the peasants and PSL's wishes were fulfilled.

Many PSL deputies confirm the Wojciechowski-for-Walendziak deal. They also say that there would have been a chance to reach agreement on this issue if SLD had not tried to show its power and if it had not wanted to order the peasants what to do and how. "They came over to us with a ready-made list of new members of the television's board of directors; they envisioned only one post of a board member for us, just as it was in the old days," PSL deputies said.

They accuse SLD leaders of being arrogant and claim that right now it would be easier for PSL to reach agreement with UW rather than with SLD. It does not seem, however, that the information carried by ZYCIE WARSZAWY on the proposal to form a joint government was true.

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Both parties differ too much to form such a government now. Let us ignore differences in the style of playing politics, as well as the question of what political benefits UW would reap if it decided to form such a government now. The differences in the programs of UW and PSL are fundamental. How would they agree on a joint policy concerning rural areas and privatization, as well as a policy concerning powiats [nonexistent administrative units], cadres, etc?

Thus, it seems that the peasants wanted to achieve something else—they wanted to prove to the coalition partner that this configuration is not the only one possible. Information on the proposal submitted to UW would be some kind of blackmail or a serious warning.

SLD wants changes in the television, and it cannot make them happen without support from PSL. This is why the peasants are saying: They will certainly come to us to talk about it; however, they must talk treat us like partners—discuss things and make the decision jointly. We do not want ready-made proposals that are not to be rejected.

The history of disputes within the coalition is eventful: It started with the recall of Marek Borowski [former head of the Council of Ministers], which was followed by constant rows over privatization and by attempts to recall the coalition's privatization minister; finally, there were lots of examples of personal antipathy and disputes caused by politicians' aspirations. As can be seen, the fact that a new coalition accord was signed when the Oleksy government was being formed did not settle anything. The partners do not trust each other; they accuse one another of being disloyal and arrogant, as well as of making decisions that have not been agreed. Only one thing changes: The accuser is most often the party which does not have its prime minister at a given moment.

Every time such a crisis arises, leaders hold a meeting and announce that the coalition is functioning and working; that there are differences of opinions, but they are not so serious so as to threaten the coalition's stability. It does not seem that the current crisis is more serious than previous ones, the only difference being that this is yet another issue and that the complaints and grudges are piling up. None of the previous quarrels were fully explained—they were only postponed or patched up.

Father Jankowski Defends 'Anti-Semitic' Sermon

WS2706143095 Warsaw GAZETA WYBORCZA in Polish 27 Jun 95 p 2

[Article by "OS": "I Am Not Sorry Because I Have Nothing To Be Sorry for; Father Jankowski's Pea Soup"]

[FBIS Translated Text] Father Jankowski does not consider himself an anti-Semite. Neither does he believe he offended anyone with his sermon.

"I do not know what they are apologizing for," said the priest, who appeared surprised, in an interview for the second channel of Polish television yesterday. "They did not consult about anything with me; the whole apology movement began behind my back."

According to the prelate, his statements did not desecrate the emblem of Israel (the Star of David): "The State of Israel was established only recently; speaking of the symbol of the star, I did not have the state in mind." Whom did he thus attack? "Not the Jewish nation, but [editor and publisher of the NIE weekly] Jerzy Urban, who claims he is a Jew and offends national feelings, the authority of the presidential office, the Polish pope, the church, the primate." At this point the priest spoke of the "Israeli embassy": "Their man is making murderous moves [mordercze posuniecia]. He is destroying the Polish nation and no one apologizes to us. Perhaps in the future some high rabbi will apologize to me."

After the scandal that broke out following the sermon he delivered in the presence of the president, the priest has "mixed feelings, as if he had eaten undercooked pea soup." "I was speaking not only about people from Moscow or from Israel, but from around the whole world." The priest continues to claim that "sound criticism is met not with discussion, but with charges of anti-Semitism." "This whole affair will bring us closer to what the slogan of my priesthood is: 'Wake up Poland, where are you going?'"

Principles for TV Election Programming Laid Down

WS2806135295 Warsaw TRYBUNA in Polish 28 Jun 95 p 3

[Report by "DES": "Campaign on a Glass Screen"]

[FBIS Translated Text] The Board of the Polish Television SA [TVP] has defined the program changes for information and journalistic programs during the presidential election campaign. During that time, special programming requirements will be in force.

It was decided that "TVP reporting and programs on preparations for the elections and the campaign

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cannot just be for viewers merely about important and interesting events." TVP has set itself the task to shape among the audience a feeling of participation in the political process, "which is of basic importance for a democratic society." The programs, whose basic features are to be comprehensive and fair, should enrich the knowledge of voters about the political and structural systems, as well as about parties and their programs.

Candidates for the presidency will have equal access to television, reflected by equal broadcasting time devoted to each of them. The time balance will be run separately in TVP Programs I and II. The reports are to be characterized by a simple and generally understood language. The board recommended avoiding "definitive commentary and highly emotional words."

During the electoral campaign, the candidates will be able to buy broadcasting time in TVP Programs I and II and in the satellite program of Polonia TV in order to present themselves and their programs.

SLD Urges PSL To Support TV Head Dismissal

WS2806110895 Warsaw GAZETA WYBORCZA in Polish 27 Jun 95 p 3

[Article by Arkadiusz Foerster in Wroclaw and "Knysz": "SLD Still Urging PSL To Recall Polish Television Chairman; Goal: Walendziak"]

[FBIS Translated Text] For the first time ever, the Democratic Left Alliance [SLD] admitted yesterday that it wishes to recall Polish Television Chairman Wieslaw Walendziak and is trying to convince the Polish Peasant Party [PSL] to do so.

SLD Spokesman Zbigniew Siemiatkowski disclosed during an interview on Warsaw Third Program Radio Network that SLD members of the Polish Television Supervisory Council are urging PSL members to recall Walendziak.

For the Good of Television?

In compliance with existing law, only the (nine-member) Supervisory Council can recall the chairman; a two-thirds majority vote is necessary. SLD is missing two votes from PSL members of the council. Siemiatkowski admitted yesterday that SLD would not cease to urge the coalition member to vote for Walendziak's recall. The change is essential for the good of television, explained one SLD member.

Yesterday, Wladyslaw Frasyniuk from the Freedom Union [UW] also declared his support for the recall of Walendziak. Should UW support SLD, there would be one more vote for recalling the chairman of the Supervisory Council.

I am an advocate of Mr. Walendziak's recall, although I know that SLD and PSL will then be willing to exert their influence over television, even more so in light of the coming presidential elections, said Frasyniuk in a statement to journalists. In his opinion, Polish Television under Walendziak is indeed independent from the coalition and the opposition, but, simultaneously, it has its own political slant, "Thus, it is difficult to talk about independence."

Kuron's Trembling Hand

As proof of Polish Television's independent policy, Frasyniuk cited the nonobjective—in his opinion—reporting on Jacek Kuron, UW candidate for president, on the "news" and other information programs. He recalled that television showed Kuron's trembling hand, when he appeared for the first time in public after leaving the hospital, and that it has manipulated stories on his background. Frasyniuk blames such reporting for Kuron's recent drop in public opinion polls.

Tadeusz Mazowiecki commented on Frasyniuk's statement: He was presenting his own views and not the views of all UW members. The attacks on Walendziak from various sides prove that he efficiently defends the independence of television.

It follows from unofficial statements by many UW activists that they would be happy if Walendziak were recalled, but they do not want to have a hand in it.

UW Against Politically Motivated Changes in TV

LD2806123895 Warsaw PAP in Polish 1132 GMT 28 Jun 95

[FBIS Translated Text] Warsaw, 28 Jun—In a statement sent to PAP today, the Union of Freedom [UW] considers inadmissible the "politically motivated attempts by the ruling coalition parties to make personnel changes within TV's managerial posts, and to introduce a division of influence between political parties."

The Union's statement stresses that the independence of the press, radio, and television has been recognized by this party as "one of foundations of a democratic state."

"In accordance with its mission, public television should create a model of impartiality, professionalism, and honestly report the facts, and also disseminate the culture of personal behavior. Television should also explain difficult economic, political, and social issues.... These conditions cannot be met if public television is an instrument for the implementation of political interests," the statement reads.

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The Union is also of the opinion that "in some spheres, Polish Television has been infringing conditions defining its basic mission," among other things, by showing programs presenting "a false picture of systemic transformations in the economy," and disseminating a "populist demagogy." According to the union, this "creates a threat for Polish reforms and toward the functioning of democracy in our country."

"The UW expects resolute actions by the Polish television board in order to eliminate the existing irregularities," the statement concludes.

Strzembosz Discusses Program, Elections

WS2706115595 Warsaw GAZETA WYBORCZA in Polish 22 Jun 95 p 5

[Interview with presidential candidate Adam Strzembosz, first president of the Supreme Court, by Wojciech Zaluska; place and date not given: "Mr. Walesa Will Lose"]

[FBIS Translated Text] [Zaluska] Jaroslaw Kaczynski was the first to submit your candidacy for president. Today, however, he no longer supports you. Why?

[Strzembosz] First of all, because Mr. Kaczynski believes that my independence from political parties and from himself is too great. Secondly, we have slightly different visions of the election campaign.

[Zaluska] This excessive independence manifests itself, for example, in getting rid of Center Accord [PC] and Conservative Coalition [KK] politicians from the campaign staff, and replacing them with nonpartisan people, such as Maciej Strzembosz, Jan Polkowski...

[Strzembosz] Let us not mince wounds. No one is getting rid of PC politicians from the campaign staff. I cannot, however, allow PC to make all the decisions.

[Zaluska] What exactly do you mean when you talk about different visions of the election campaign?

[Strzembosz] Mr. Kaczynski believes that I should focus on file-checking and decommunization.

[Zaluska] You believe they are unnecessary?

[Strzembosz] No, I do not. They are necessary, absolutely necessary. This does not, however, mean that they should become the main subject of the campaign. To "ordinary" citizens there are more important things, such as the economy. Also, my understanding of decommunization differs from Mr. Kaczynski's interpretation of the word. Its primary purpose should be to change the structures stemming from the Polish People's Republic, not to deal with specific people. One more thing: It is no use talking about it any longer; what we need is action.

[Zaluska] One does not exclude the other.

[Strzembosz] Yes, it does, to a certain degree. In line with the results of opinion polls, only 6 percent of citizens believe that these are important issues. One needs far greater support to put decommunization into effect. I want to find a way of obtaining it.

[Zaluska] Perhaps this is what Kaczynski thinks: We should first take advantage of decommunization rhetoric to win the support of rightist parties and to block other candidates. When the right wing supports you, it will be time for other slogans.

[Strzembosz] I am fighting first of all for support of the electorate. In addition, I am not going to change my course of action according to the situation.

[Zaluska] However, you are losing supporters. PC wants to split with you.

[Strzembosz] I wonder where it would go. To Lech Walesa? Or to Jacek Kuron? Let us remain calm. Of course, the number of parties which support me is of certain importance. It makes it easier to wage the campaign. If, however, I am to win, I need a political base that would be much bigger than the five groupings which are supporting me today (PC, KK, Conservative Party—PK, Peasant Accord—PL, and the Peasant-Christian Party—SLCh—note by Wojciech Zaluska). Campaign staffs will be of paramount importance.

[Zaluska] This means that the places where your supporters hold meetings are not parties, but Adam Strzembosz committees?

[Strzembosz] Exactly. In Krakow, for example, a 200-person committee includes 40 professors. Members of parties constitute only several or maybe a dozen percent. In addition, these people are members of various parties, also those which formally have not backed me, such as the Freedom Union [UW] or the Christian-National Union. Now, in this situation how can I be a candidate of exclusively PC and Mr. Kaczynski?

[Zaluska] What will happen to the Strzembosz committees after the elections?

[Strzembosz] It is too early to talk about that. I certainly will not set up a new party.

[Zaluska] Do you not fear that they will simply disappear? If you developed closer ties with parties...

[Strzembosz] They might use my campaign to do good business...

[Zaluska] They might also grow stronger and consequently strengthen the conservative-liberal movement in the right wing...

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[Strzembosz] I do now want to be seen exclusively as a representative of PC, PK, KK, SLCh, and PL. The committees cannot be turned into places where party cells are being already set up. This would discourage many potential supporters. What is of paramount importance in presidential elections is not the number of parties supporting a given candidate; it is his personality that counts. I believe that my moderate views and my maturity, resulting from my age, are quite appealing to the people. They do not want a president holding a knife in his mouth.

[Zaluska] Why, then, did you go to the congress of the Confederation for an Independent Poland?

[Strzembosz] I was invited. Aside from that, a strong coalition should be formed around the office of the president. I am not sectarian. I do not have any particular phobias or favorites. If the president is supported by at least one-third of the Sejm deputies, his position will probably be strong. Lech Walesa, even if he is very energetic, will not achieve much if he is alone.

[Zaluska] Why do you want to be president?

[Strzembosz] First of all, to prevent the election of a representative of the left wing. Secondly, because I have a vision of this office.

[Zaluska] What exactly is this vision?

[Strzembosz] It is necessary to regain the presidency for the people. Today the president wants to take advantage of the weakness of parliament and the government. These three centers should cooperate with each other—for the sake of reforms. The office of the president should be surrounded by a bloc of proreform groupings (from the right wing to UW), a bloc which would force reprivatization, privatization, the self-governmental reform, the reform of social insurance... The president would use his prestige to support these activities. Parties often prefer to stay away from all this because these activities are not very popular. However, someone must carry this burden.

[Zaluska] Will it be you?

[Strzembosz] Why not? I will certainly be a one-term president, so the risk of losing popularity is smaller in my case than in the case of parties, which must think about their political future and which must make efforts to maintain their electorate. The office of president offers tremendous possibilities for action. It may set up experts' teams, prepare draft laws.

[Zaluska] For the time being we have seven or eight candidates on the right side of the political scene.

[Strzembosz] I hope that this number will be considerably decreased. Then only one candidate should be selected from this smaller group.

[Zaluska] On Tuesday [20 June] you reportedly agreed to take part in the "conclave" held by the St. Catherine Covenant. Is that true?

[Strzembosz] It was the second time I agreed to meet with the Covenant. I did not, however, sign a declaration on the primary elections. Moreover, my visit to the Covenant enabled me to meet with Ms. Gronkiewicz-Waltz, president of the National Bank of Poland, and Solidarity Chairman Marian Krzaklewski.

[Zaluska] By coming closer to St. Catherine, you strengthen the position of Leszek Moczulski, Jan Parys, Antoni Macierewicz... However, you also weaken the part of the right wing which is associated with Jaroslaw Kaczynski, Aleksander Hall, Kazimierz Ujazdowski...

[Strzembosz] I am not going away from my political base. I want to cooperate with those who are prepared to back me up. Unfortunately, statements by Jaroslaw Kaczynski seem to suggest otherwise.

[Zaluska] If you believe that the right wing should field only one candidate, then are you ready to back out in favor of Ms. Gronkiewicz-Waltz, for instance?

[Strzembosz] If the central bank president or some right wing "dark horse" had a vision of the presidency similar to mine, and if at the same time his or her ratings in opinion polls were better, then I would certainly back out. I still do not know, however, whether there is such a person. Until I am absolutely certain, I will actively fight for the presidency.

[Zaluska] What if Lech Walesa's ratings rapidly go up?

[Strzembosz] I do not think they will. Opinion polls indicate that half of Poles exclude the possibility of voting for Walesa. Thus, his chances of gaining new supporters are rather limited. In my case, the percentage of people who will certainly not support me is much smaller.

[Zaluska] Still, if his ratings...

[Strzembosz] Lech Walesa's vision of the presidency differs from mine. Therefore, I will not withdraw in his favor. The only thing I can do for Mr. Walesa is encourage him not to run in the elections—for loftier reasons and for the sake of his own interests.

[Zaluska] Why?

[Strzembosz] Because he will lose. I can afford to lose. For Mr. Walesa the stakes will be much higher: Walesa is part of Polish history. If he failed to move on to the

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runoff round of the elections, it would be the failure of a legend. A legend which Poland needs.

Jan Olszewski's Election Program Outlined

WS2806100095 Warsaw GAZETA POLSKA in Polish 22 Jun 95 p 7

[Article by Piotr Jakucki: "Jan Olszewski's Outline of the Presidency; Program of National Reform"]

[FBIS Translated Text] Jan Olszewski has decided to take part in the presidential elections. If he wins, he will immediately dissolve the hitherto communist-dominated parliament. Olszewski's followers have already collected over 37 thousand signatures supporting his candidacy.

Great Politics—Aside

Olszewski's program, called the "Program of National Reform," emphasizes social issues, setting aside the so-called great political issues. It is to be a contract concluded between the future head of state and the nation. The contract states: Six years have passed since the commencement of the process of rebuilding an independent state and free economy. To the majority of Poles, these years have brought deep disillusionment and the loss of hopes connected with many years of struggle for freedom. Instead of a state that implements the law, we experience a common lack of personal and social security. Instead of clear prospects for the future, we have mass unemployment and young people striving to emigrate. An agreement concluded in 1989 between the Communist nomenclature and the leftist part of the elite of the so-called democratic opposition and Solidarity led to economic and political mechanisms to plunder the state and the large majority of citizens by a narrow group of swindlers connected with the apparatus of authority. It is now imperative to depart from the so-called roundtable agreements. The whole nation has to concentrate its efforts on an honest settlement of the most urgent problems of the country.

The program of reorganizing Poland is concluded, it is stated in the "Program of National Reform," within the citizens draft of the constitution elaborated by Solidarity, whose passage is the most urgent task once the elections are won. As Olszewski states, the program outlined in the draft constitution is not the postulate of just one political option; its values also are approved by the Catholic Church.

Passing by the future parliament-Constituent Assembly of the Solidarity draft of the constitution will enable Poland to create a country of equal opportunity.

To make the aforementioned possible, the new president, in liaison with the Constituent Assembly and the new government, will have to:

Protect Polish Industry and National Property

The new industrial policy of the state has to promote Polish technology, using the experience of Polish engineers and scientists: There should be open credits available for Polish businessmen to facilitate an expansion of Polish capital in all its forms.

Change the Current Monetary Policy

Today an overvalued zloty is being permanently maintained, national production is being quashed, the interests of nomenclature groups and importer's enterprises are being promoted, and stimuli for inflation are being provided.

Create a Polish Middle Class and Change the Model for Economic Transformations

Society has to become an entity and not an object of reforms. It can be done through its enfranchisement according to the form of the national shareholder system. This will create a basis of economic independence for millions of Polish families. This process should be preceded by establishing the institution of the state treasury and possibly quickly carrying out large-scale reprivatization.

The Polish national property will be subject to review, including that part which over the past years was illegally taken over by private persons and companies most frequently linked with the nomenclatura communist system.

Curb Corruption

It is necessary to restructure the banking system, since the present one consolidates cliquish structures in the Polish economy. Such a change is possible only and exclusively through continual amending of communist laws and introducing solutions based on a mixture of the Polish prewar period and the present Western regulations. One of the steps would be to change the rules to:

Decrease Taxes

Today taxes hamper the development of private entrepreneuship. The new system would promote production. Investment input would be primarily eligible for tax allowances. Such solutions would favor a growth of entrepreneuship and private initiative, which today is not profitable in view of high fiscal burdens. Moreover: Clear and univocal regulations need to be introduced on

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the public offerings of the state and self-government administration. We should target the policy in relation to the so-called gray economy of small businessmen forced into abuses through the absurdity of the current binding laws, stringent tax policies, and the "black zone" of mafia systems. The first needs to be restructured through lifting of impracticable regulations, adjusting tax burdens to real possibilities of small entrepreneurship and crafts and through introducing a conditional tax amnesty. This mafia system has to be called to account.

It is necessary to conduct a review of the national economy taken over illegally by private persons and companies.

Change the Retirement System and Take Away Money Seized by the Communists

It is necessary to rebuild the independent retirement funds in order to compensate for the insurance premiums of the working class taken away and wasted by the communist authorities, thus assuring honest compensation due to retirees and those on disability pensions.

Change the System of Fighting Unemployment

Money provided by the state causes decreased the motivation to seek employment. Emphasis should be placed on a public works program which will also contribute to enhancing investments faster. The great majority of state means to fight unemployment should be turned over to self-governments, which, as practice shows, are able to use them rationally.

Give a Chance to Young Poles Through a Change in the Educational System

At present, similarly to the 1980's, the youth immigrate to the West.

Thus, the educational system has to be changed to enable clever young people to study. It would have to assure special public scholarships: State budget expenditures for education and Polish science should be permanently protected in their own defined budget area—covering a defined percentage—similarly as national defense expneditures. Poland's independence depends to an equal and perhaps greater extent on our future level of civilization rather than on the military force of the state.

Put Agriculture on Its Feet

Our agriculture is a guarantee of independence and sovereignty to the same extent as the Armed Forces are in case of an armed conflict. Polish agriculture can conquer the European Union markets; our force rests on the possibility of producing so-called natural, organic foods. We have soils less wasted by artificial fertilizers than the French or Germans. However, our agriculture has, above all, a chance to enliven demand on the domestic market to liquidate the phenomenon of malnourishment among whole groups of people, including children and youth, a condition which exists in Poland and is scandalous in Europe.

Enter NATO

Poland can feel safe only as a member of Western military and political structures. Any other configuration is a danger to our sovereignty. Membership in NATO is linked with carrying out in Poland decommunization and the dismissing from state posts of persons who were collaborators of the secret services of the Polish People's Republic. Equally important is imprisonment of those guilty of crimes against the nation in the period of the Polish People's Republic. The secret services would be reorganized. It would be also the task of the new authorities to create a defense doctrine primarily based on the capacity of the Polish arms industry.

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Iliescu Claims Embargo Slowed Privatization

AU2806084295 Bucharest EVENIMENTUL ZILEI in Romanian 24 Jun 95 p 5

[Article by Maria Constantin: "At the 23 Jun Government Meeting, Ion Iliescu Explained the Reasons for the Slow Pace of Privatization"]

[FBIS Translated Text] Yesterday, Ion Iliescu was invited to attend a government meeting held at Victoria Palace. The main issue discussed at the meeting was the implementation of the law on stepping up privatization and on respecting the schedule stipulated by the law.

Ion Iliescu asked that, during discussions with international bodies, the Romanian side should emphasize some comparisons that are not only in our favor but, in a way, can explain the somehow slower pace of privatization and reform in Romania. Iliescu gave the example of eastern Germany which, in the past five years, has received, virtually as a present, $600 billion from federal Germany for reform and privatization. In the past five years, while Romania has received loans from financial-banking institutions amounting to $4 billion, the cost of the embargo against Yugoslavia, Iraq, and Libya amounted to over $10 billion. Thus, if the GDR [German Democratic Republic] has $600 billion plus, we have $6 billion minus over these years, said President Iliescu in conclusion.

PRM's Tudor: Iliescu Much Too Subjective

AU2806080495 Bucharest EVENIMENTUL ZILEI in Romanian 24 Jun 95 p 3

[Articles by Andra Aurora Manta, Victor Bratu, and George Scarlat: "The Scandal of 'The Letter of the 300 Military Cadres' Continues"]

[FBIS Translated Text]

C.V. Tudor Accuses Ion Iliescu of Refusing To Face the Situation "Bravely"

During the news conference of the Greater Romania Party [PRM] held yesterday, [PRM President] Corneliu Vadim Tudor continued his attacks against President Ion Iliescu, stating that he is "much too subjective and irascible for a head of state."

He said that Ion Iliescu "is repeating the errors committed by some of his predecessors and lends an ear to the career-seeking people whom he promoted and who simply isolate him from reality" instead of "facing reality bravely."

According to a MEDIAFAX report, C.V. Tudor said that in Snagov on 21 June, he held a tense discussion with Ion Iliescu on the letter of the 300 military cadres. During the respective talks, the president was "irascible" and displeased with the material published in the ROMANIA MARE weekly. C.V. Tudor also said that Ion Iliescu "is deliberately ignoring" the letter of the 300 military cadres.

The senator of Butimanu [C.V. Tudor] also stated with the greatest insolence that the PRM continues to support Ion Iliescu, EVENIMENTUL ZILEI, ROMANIA LIBERA, and ZIUA, being in fact the newspapers that "blackmail and frustrate" the president.

Ion Iliescu Refuses To Comment on the Letter Published in the Weekly ROMANIA MARE and States That "The Prosecuting Magistracy Knows Its Job"

President Ion Iliescu yesterday attended the ceremony that marked the inauguration of the Stock Exchange and refused to comment on the contents of the letter signed by the "300 military cadres," which was published in the weekly ROMANIA MARE.

As far as a possible "suggestion" addressed to the Prosecuting Magistracy to make it take official action is concerned, Ion Iliescu said that he does not wish "to get involved in the Prosecuting Magistracy's business," a body that the president assesses as "capable and led by professionals who know how to do their job."

Suspecting C.V. Tudor of Being in the Service of a Foreign Power, General Vasile Ionel Accuses Him of Deliberately Attacking the Country's Defense Capability

In an interview with the daily CRONICA ROMANA, Presidential Councillor General Vasile Ionel replies in detail to the accusations published in the weekly ROMANIA MARE against President Ion Iliescu.

General Vasile Ionel, referring to the reason for the publication of the respective letter, confirms Ion Cristoiu's [director of EVENIMENTUL ZILEI] suspicion that the respective letter is an instigation to an armed rebellion. Ionel also expressed his belief that the reason for the letter is also to reduce the combat capability of the Romanian Army and to rouse the distrust of the population in the army and of the soldiers in their commanders, and he asked himself, for which foreign power could this disinformation become useful.

Although he doubts that the so-called authors of the letter exist in reality, Vasile Ionel says that "it is part of the dignity and honor of the 300 officers who signed the respective letter to reveal their names in public."

General Vasile Ionel assesses that the authors of the letter have a sick imagination, explains all measures

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aimed at restructuring and modernizing the army, and expresses his surprise that Vadim Tudor published "an extremely dangerous letter" considering that, in his capacity as Senate secretary and member of the Senate's Defense Commission, Tudor should have known the real situation prevailing in the army.

Parties Condemn Newspaper Attacks Against Iliescu

AU2806082095 Bucharest EVENIMENTUL ZILEI in Romanian 23 Jun 95 p 2

[Articles by Marcela Feraru, Bogdan Tiberiu Iacob, and Andra Aurora Manta: "Political Parties Demand a More Resolute Reaction"]

[FBIS Translated Text]

The PD, PSDR, and PL'93 Appeal to the Country's Supreme Defense Council

The opposition parties, except for the Democratic Convention of Romania—that is, the Democratic Party [PD], the Social Democratic Party of Romania [PSDR], and the Liberal Party '93 [PL '93]—appealed last night to the Country's Supreme Defense Council to investigate immediately the 300 officers and generals who signed the memorandum in the weekly ROMANIA MARE.

Given the serious nature of the assertions in the memorandum, the aforementioned parties ask that their validity be checked.

Mircea Ionescu Quintus (National Liberal Party): "Somebody Has To Pay"

During the weekly news conference of the National Liberal Party, Mircea Ionescu Quintus, the president of that party, described as "extremely serious" the accusations published in the weekly ROMANIA MARE directed against President Ion Iliescu and signed by a group of 300 officers and generals of the Romanian Army, according to whom Iliescu allegedly sold the army "both wholesale and retail to some traitors to the homeland, profiteers, and spies."

The liberal leader said that "after this scandal, somebody—either Ion Iliescu or C.V. Tudor [president of Greater Romania Party, PRM]—will have to pay."

The PDAR Believes That the Prosecuting Magistracy Must Take Official Action

During its recent news conference, the PDAR [Democratic Agrarian Party of Romania] leadership expressed concern over the scandal provoked by publication in the weekly ROMANIA MARE of serious accusations against Ion Iliescu.

According to the members of the Executive Bureau, the accusations directed against Romania's president can and must be the subject of an official action to be initiated by the General Prosecuting Magistracy.

Members of the PDSR Standing Delegation Last Night Reached the Conclusion That C.V. Tudor Needs a Rudotel Treatment

During the meeting of the Social Democracy Party of Romania [PDSR] Standing Delegation held last night, the PDSR vice presidents, together with the party's executive president Adrian Nastase, reached the conclusion that "C.V. Tudor is neurotic and needs a Rudotel treatment," sources of the above-mentioned body informed us.

Those participants in the meeting decided that C.V. Tudor went too far this time and that the future of the PDSR's relations with the PRM will be discussed during the Executive Bureau meeting to be held next week. The final decision in this respect will be taken by the PDSR National Council on 6 July.

Defense Ministry Rebuffs Officers' Claims

AU2706132995 Bucharest EVENIMENTUL ZILEI in Romanian 23 Jun 95 p 2

[Article by Radu Tudor: "The MApN Replies to the Accusations in the Pseudomemorandum of the 300 Military Cadres"]

[FBIS Translated Text]

The Presidency Is Waiting for the Prosecution To Officially Take Action

The Presidency is waiting for the prosecution to take official action on the extremely grave accusations directed against the head of the state by the PRM [Greater Romania Party] President Corneliu Vadim Tudor, presidency spokesman Traian Chebeleu said on 22 June. The most recent issue of the weekly ROMANIA MARE, which is published by the PRM leader, carries a letter addressed to Romania's president by 300 active and reserve military cadres, accusing Ion Iliescu of "treason against the country" and blaming him for his contribution to the "undermining of the combat ability of the Romanian Army." Chebeleu termed the accusations in "the letter of the 300 military" as being "as grave as the denigration campaign waged against the president by the daily ZIUA," claiming that the president was recruited by the KGB. The spokesman expressed Iliescu's indignation at the unfounded accusations by the military cited by Tudor against the Romanian Army, the latter being "the principal support during the 1989 December revolution."

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From the National Defense Ministry [MApN]

The weekly ROMANIA MARE, in its issue No. 259 of 23 June 1995, under the headline "A Group of 300 Military Cadres Accuse Ion Iliescu of Ruining the Romanian Army," carries a pseudomemorandum containing blatant untruths about the reform process in the Romanian Army. Out of respect for the readers and considering the press's duty to objectively inform public opinion, we hereby make the following comments:

1. The anonymous signatories of the letter claim that the training period of the young military has been reduced and, owing to the precarious technical and material conditions, as well as the lack of interest shown by many military cadres, combat training is almost nonexistent, and that for 1995 the number of newly drafted soldiers was reduced by 5,000. The reality is as follows:

After December 1989 the combat training of the troops returned to normal. The time intended for their training is not no longer wasted on activities of the kind the army was formerly compelled to participate in, but rather fully used for training.

Regarding the combat training program, in the past two years 75 to 92 percent of the maximum training program was fulfilled, and the financial resources allotted for this year allow for a similar degree of training.

We emphasize the fact that owing to the measures taken to perfect the training of the military cadres, their instruction level is quite high and their interest in training their subordinates has not been fluctuating.

A government decision allows for 25,500 military cadres to be hired on a contractual basis. This decision created a drafting surplus for the draftee contingents following 1994.

The reduction by 5,000 of the number of young men to be drafted each year is a transition measure for the years 1995-2000, intended to mitigate the impact of the reduced birth rate over the previous years, as the number of potential draftees will reach a minimum in the years 2001 and 2002. This measure is intended to ensure a constant supply of draftees for the Army in the 1995-2003 period.

2. The article asserts that "out of the five military high schools, only two remained, while three of the six military academies were closed down."

This assertion is false because currently all five military high schools are open, aside from which there is a military music high school section functioning within the Iacob Muresianu Military Music School. What is more, the number of places in the military schools has been increased by 250 for the 1995-96 school year.

As for the number of military schools, in accordance with the principles regulating the restructuring of military education, there will be four schools for warrant and noncommissioned officers, three academies, one each for every military branch, the Military Medical Institute, the Military Technical Academy, the Military Physical Education Faculty, the High Military Studies Academy, and 15 schools for the application of weapons [scoli de aplicatie a armelor].

The reduction in the number of young persons to be trained in military institutions is due to the armed forces' future personnel needs, on the basis of projections in view of its restructuring and also considering the fact that the average age of its personnel is currently 36.

3. Referring to the reduction of the personnel employed at the ministry, as well as the dismantling of certain quantities of military equipment, we wish to point out the following things:

The MApN personnel structure was cut by 723 positions and 20 percent of the remainder are to be cut by the year 2000, which represents a percentage that is very close to the one by which the entire army is to be reduced in order to meet the troops limit imposed on our country (230,000 military) as stipulated by the July 1992 [as published] Helsinki Final Act, which was also signed by Romania.

Our experience in recent years, as well as that of other armies proved that the divisions and regiments are clumsy and oversize structures and therefore major problems will be encountered if one wants to lead them in a timely and efficient manner. Instead of them, we have set up brigades and battalions, the number of which, however, exceeds by far the one of the former divisions and regiments.

The assertion that 75,000 military cadres will be sent to retired or released is a grave error, as that figure exceeds the total number of military cadres at the beginning of the army restructuring process. As the national defense minister and the chief of the Army General Staff have often stated, no army cadre will become unemployed; obviously, this assertion of theirs does not include individual cases where military cadres are place in reserve through some fault of their own.

The cuts in armament and conventional military equipment are being implemented in observance of the provisions of the Treaty on Conventional Armed Forces in Europe, which was also signed by Romania.

It is worth mentioning that both the Helsinki Final Act and the Treaty on the Conventional Armed Forces in Europe were ratified by Romania's Parliament in Law No. 18 of 4 March 1994. Consequently the steps taken

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in this domain are in no way the result of pressure from abroad.

4. The assertions in the article regarding the liquidation of our national arms and military equipment industry, as well as the termination of scientific research in the military field flagrantly contradict reality.

The Supreme Defense Council of the Country [CSAT] in its meetings in 1993 and 1994 approved the programs for the modernization of the military equipment, which is to be achieved above all by means of domestic products and cooperation with prestigious foreign companies. The principal modernization programs refer to combat jets and helicopters, radio location stations and antiaircraft systems, transmission equipment and the automation of command, fire-power sources, ammunition, as well as individual protection and training protection means.

In view of putting this program into practice, the funds allotted from the state budget for research were increased as follows: 2.7 billion lei [L] in 1993; L6.4 billion in 1994; and L18.6 billion in 1995. Although they are still insufficient, the Army used these financial resources as rationally as possible to accomplish the aforementioned programs. As a result the majority of the programs are already underway and the results obtained so far are good.

Within this context certain research themes initiated before 1990 were halted as they do not meet current standards.

In order to protect our defense industry, the production units were reorganized turning them into public corporations of national interest.

The MApN and the Industry Ministry periodically presented the situation in the defense industry to the CSAT. In accordance with the reform program elaborated by the Romanian Government, a government commission was set up to oversee the restructuring of the defense industry.

The report elaborated by that commission, which was examined by the CSAT and subsequently sent to the government for implementation, encompasses the following things: the retooling of the existing companies with the intent of improving them so that they should be able to modernize the army's equipment and turn out competitive products for the international market; the conversion to civilian production of the production units exceeding needs; the conservation of the narrowly specialized production units the products of which are beyond our current needs and the conversion of which to civilian production is impossible.

Considering the importance of the aeronautical industry, both for the Army, as well as for society in general, during the 13 June 1995 meeting of the CSAT the MApN and the Industry Ministry presented a report on the situation of that industry together for proposal for its invigoration. The proposals were forwarded to the government for implementation.

For the time until the defense industry restructuring program is completed, a law on the protection of the defense industry personnel, as well as the defense production sector patrimony was initiated and passed by the two chambers of Romania's Parliament.

5. With respect to the assertions made in the article regarding Romania's spending on maintaining units and subunits participating in peacekeeping missions, we wish to point out that they are erroneous.

The United Nations reimburses the money spent by the participating countries on naval, air, or road transportation of personnel and equipment in the operations area, the cash payments made to the military belonging to those troops, as well as the costs of ammunition, and depreciation of the equipment. The latter is calculated either on the basis of a certain percentage of the initial value of the equipment or preestablished amounts of money as previously agreed by the states participating in such missions.

Corneliu Vadim Tudor: "I Am Talking to You in My Capacity as a Journalist. Journalists Are Not Prosecutors"

I am not Romania's general prosecutor. So don't ask for any evidence from me. I published this stuff with a heavy heart because I appreciate President Iliescu and I repeatedly appreciated him publicly on radio and television, as well as in the press, as a balancing factor in Romanian society. On the other hand it would not have been nice if I had gagged 300 military cadres, considering especially that the situation in the Army—let me tell you this—from the sociopsychological, the group psychology point of view, but also in individual cases, is not exactly a bright one. I briefly explained things to President Iliescu; he was relatively sour, but he got over it because I reassured him about my best intentions. I, as a party president, consider that it is not him that has to be blamed for these aspects. Actually the disease is much older.

In its 1800 newscast yesterday BBC Radio carried both the opinions of presidential spokesman Traian Chebeleu, as well as those of Corneliu Vadim Tudor. After presenting a passage from the presidential spokesman's statement BBC asserted that "the Presidency's reaction

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limits itself to the level of words." They then presented the PRM president's reply, which we quoted above.

According to Army General Vasile Ionel: "The Honor and Dignity of the 300 Requires That They Should Reveal Their Names Themselves"

In an interview for the daily CRONICA ROMANA, Army General Vasile Ionel, a presidential adviser [for defense issues], replies in detail to the letter of "the 300." He considers that the document is a misleading act intended to hamper the Army's combat potential. To this the presidential adviser adds: "I refuse to believe that there are any active officers and generals in our army able to make assertions such as the ones included in the so-called memorandum"... [punctuation as published] "However, if contrary to all reason, such active officers or generals do exist, they have no business in the Army and they are unworthy of wearing the uniform." In the conclusion of the interview General Vasile Ionel says that "the honor and dignity of these generals and officers requires that they should reveal their names themselves."

Parliament's Commissions Criticize Defense Council

AU2806081995 Bucharest EVENIMENTUL ZILEI in Romanian 22 Jun 95 p 16

[Article by Andra Aurora Manta: "The Parliament's Defense Commissions Accuse the Country's Supreme Defense Council of Overstepping Its Duties"]

[FBIS Translated Text]

The Government Is Requested To Assume Responsibility for the Country's National Security Policy

During the meeting held yesterday by the subcommission of the Defense Commissions of the Chamber of Deputies and the Senate, devoted to examining the "Military Doctrine" and the "Integrated Concept on National Security," a number of procedural remarks were made that refer to the two documents worked out by the Country's Supreme Defense Council. In a letter compiled by Democratic Party Senator Costel Gheorghiu, Defense Commission secretary, the prime minister is asked to state his position regarding the observations and reserve expressed by the members of the subcommission on the two documents, given the fact that, apart from being head of the executive, Nicolae Vacaroiu is also vice president of the Country's Supreme Defense Council.

The Country's Supreme Defense Council Is Accused of Having Overstepped Its Duties and Violated the Law

According to Law 39/1990, the Country's Supreme Defense Council is obligated to submit for approval to Parliament the "Fundamental Concept on the Country's Defense." The letter sent to Nicolae Vacaroiu notes that members of the subcommission expressed severe criticism of the Country's Supreme Defense Council, which considers that the "Military Doctrine" and the "Integrated Concept on National Security" can form together "The Fundamental Defense Concept." "Both as notion as well as content of the presented document, the 'Integrated Concept' greatly exceeds the framework of a document on national defense and, implicitly, the duties of the Country's Supreme Defense Council in this respect," notes the letter.

Given the fact that Article 113 of the Constitution stipulates that the government can assume responsibility before Parliament for a general policy declaration and taken into consideration that the document entitled "Integrated Concept on National Security" is such a declaration of general policy that refers to a much broader area than national defense (as the letter reads), the subcommission asks the government to assume responsibility before Parliament for the submitted document.

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Drnovsek Reportedly Considering Replacing Thaler

AU2806113395 Ljubljana MLADINA in Slovene 27 Jun 95 p 12

[Unattributed report: "Drnovsek Replacing Thaler?"]

[FBIS Translated Text] We have learned from circles close to the government that, during his latest meeting with Lojze Peterle and Janez Kocjancic, leaders of the Christian Democrats and the United List of the Social Democrats, [Prime Minister] Dr. Janez Drnovsek startled his partners in talks with the following question: "How would you react if the the replacement of the foreign minister was warranted?" Peterle and Kocjancic reportedly exchanged glances, dumbfounded. It is interesting that Drnovsek dropped the provocative question casually when complaining about Thaler's foot-dragging in negotiations with Italy, so Drnovsek says, fearing to assume responsibility for any sort of agreement between Slovenia and Italy. Allegedly, the prime minister also reproaches his minister for liking to appear in public too much instead of concentrating on the strategic issues of Slovene foreign policy. In the popularity polls, Thaler is increasingly becoming the first man of the LDS [the Liberal Democracy of Slovenia] and malicious minds claim that this is what bothers Drnovsek the most.

Assembly Proposes Referendum on NATO

95BA0269A Ljubljana DELO in Slovene 3 Jun 95 p 2

[Article by Vladimir Vodusek]

[FBIS Translated Text] Ljubljana, 2 Jun—Slovenia's joining NATO should be decided in a referendum, in the opinion of the State Assembly's Committee for Monitoring and Implementing the Resolution on the Starting Points for the National Security Concept, which today discussed the positions expressed in a public presentation of opinions on Slovenia and NATO. In the fall, the committee will prepare a public presentation of opinions on the internal security problem.

In addition to analyzing the procedures for joining NATO, we should also, as Dr. Joze Pucnik (SDSS [Social Democratic Party of Slovenia]) noted at the session, prepare some sort of white paper that reviews the necessary adjustments for Slovenia's entry into the North Atlantic alliance. Committee Chairman Dr. Leo Seserko, however, notes that the referendum on Slovenia's joining NATO will probably take place independently of the referendum on our joining the EU. In his opinion, NATO will make our country's association conditional on membership in the EU.

The committee was also briefed on material related to the problem of the proposed national security council and the center for strategic studies and national security. Elsewhere in the world, centers for strategic studies are usually independent institutions, and furthermore there is an interagency group that is dealing with the problem of joining NATO. Branko Vidrih, state secretary in the Defense Ministry, reminded committee members that the government twice proposed the establishment of the council, namely in the bills on the government and on defense, but the State Assembly twice rejected the proposal. Peter Jeglic of the Ministry of Internal Affairs thought that the function of the national security council depended upon the organization of the security and intelligence system.

Regarding the violation of Slovene air space by Croatian aircraft, Branko Vidrih said that the Slovene Defense Ministry and the Ministry of Internal Affairs were regularly monitoring violations and that 70 percent of all violations were caused by military aircraft owned by the Croatian Army and police. He added that, for the time being, there had been no changes in the agreement with the Croatian authorities.

Role of National Security Council Debated

95BA0269B Maribor VECER in Slovene 3 Jun 95 p 2

[Article by Bojan Bauman: "A Slovene National Security Council Soon"]

[FBIS Translated Text] *There have been several initiatives for the establishment of a national security council, but so far the deputies have always rejected them; with the council against separation.*

Dr. Leo Seserko, chairman of the Committee for Monitoring and Implementing the Resolution on the Starting Points for the National Security Concept, at yesterday's meeting called upon the government to establish a national security council. The State Assembly, however, would have to discuss once again the starting points of the national security concept. For that purpose, the government needs to establish a special center for strategic studies and national security, although it would probably be even better if such a center were independent and outside government services.

Dr. Pucnik (SDSS [Social Democratic Party of Slovenia]) was even more critical yesterday when he proposed that a polite, but sharp, message be sent demanding that the Committee for Monitoring National Security charge the Slovene Government to provide a comprehensive presenetation on the activities to date in organizing the council, i.e., an advisory and coordinating working body that would be responsible primarily for security issues.

Gorazd Vidrih, state secretary in the Defense Ministry, informed those present that the government had twice, in the draft law on the government and the draft law

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on defense, proposed the establishment of precisely such a council, but the Slovene deputies had rejected both proposals and deleted them from the laws. Peter Jeglic of the Ministry of Internal Affairs also made several such attempts, for instance, in the 1993 tripartite agreement. Until the laws regulate all of the Slovene state's intelligence and security agencies, however (a law on the Slovene Intelligence and Security Agency is in parliamentary debate right now), it will be difficult to establish a national security council.

Vika Potocnik (Liberal Democratic Party) also mentioned yesterday the reasons why the State Assembly deputies rejected the previous proposals to establish a national security council. Specifically, the government would have thus obtained too much decisionmaking authority. Instead of that kind of council, the Slovene deputies established a national security committee. The members, who were wondering yesterday why we did not have a national security council, sat on it precisely in its name and in its role, except that in their work they were absolutely at the beginning. It is normal in the developed world that such a council consists of the ministers of the so-called repressive government agencies (defense, police, justice, secret services). Their activity is most obvious during crisis situations in the country, when the right solution has to be chosen quickly.

The council should assume such a role in Slovenia as well some day. Among other things, it is necessary to surmount the current uncoordinated activity and conflicts among individual agencies within the state security system, as the committee members wrote, among other things, in the document that will be the basis for the request for a discussion of this in the government and parliament. Above all, tensions between the Slovene Army and police are known. Through agreements in the government body for national security, they want to continue to eliminate duplications, primarily in the Slovene intelligence services. That sort of council would also decide upon the goals of national security policy, prepare and coordinate defense activities, and prescribe the strategy for joint activity in the entire security system....

Yesterday the committee members supported the Slovene Government's efforts to join NATO. Before any admission, it is necessary to prepare a comprehensive analysis of the benefits and the obligations that Slovenia will have to assume in that case. Any possible willingness to joint NATO, however, will have to be verified by Slovenia's citizens. A referendum decision is also required by the countries that are already full members of NATO.

First-Quater Trading: EU Remains Main Partner

95BA0269C Maribor VECER in Slovene 2 Jun 95 p 3

[Unattributed article: "Two-Thirds of Trade With EU"]

[FBIS Translated Text] Two-thirds of Slovenia's total foreign trade in the first quarter of this year was with EU members, according to the state Statistics Institute. Out of total exports of $2.04 billion, $1.39 billion (68.4 percent) in goods was to EU members, and from January to March Slovenia imported $1.43 billion in goods from EU members, which is 67.8 percent of total imports during that period.

Slovenia's most important trading partner is still Germany, to which we exported $633 million in goods during the first quarter, and from which we imported $472 million in goods, which means that the volume of trade with that country has increased by one-third in comparison with the same period last year. During the first quarter, Slovenia exported $290 million in goods to Italy, and $192 million in goods to France. With $348 million, Italy is also in second place with respect to imports; Austria is in third place with $218 million.

During the first quarter of 1995, Slovenia had a $35.8-million trade deficit with EU members, while the balance of trade with the individual countries was very different.

Among other countries, the states in the former Yugoslavia are primarily important to Slovenia as an export market (14 percent of Slovene exports and only 7.3 percent of imports).

Energy Shortage by 1998 Predicted

95BA0269D Maribor VECER in Slovene 2 Jun 95 p 3

[Unattributed article: "Energy Shortage in Three Years"]

[FBIS Translated Text] This year Slovenia will import from 660 to 700 million kilowatt-hours of electricity over long distance power lines from West European countries. In three years, imports will climb to 1.2 to 1.3 billion kilowatt-hours of electricity a year, explained Dr. Ivo Banic, director of ELES [Elektro Slovenia], at yesterday's regular annual assembly of the Slovene National Committee of the World Energy Council. In his opinion, Slovenia may be in trouble in 1998 because of a shortage of energy.

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The director of ELES sees the only possible solution for increasing the production of electricity to be investment in new production, transmission, and distribution capabilities for the Slovene energy system. Banic warns that the energy system in Slovenia consists of 15 dispersed entities, "which are experiencing the fate of isolated Slovene enterprises." Such a dispersed system is not capable of independent investment.

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Federal

Jovanovic on Conditions for FYROM Recognition

AU2806075295 Skopje MIC in English 27 Jun 95

[FBIS Transcribed Text] "The number one problem for the recognition of Macedonia [the Former Yugoslav Republic of Macedonia—FYROM] is its refusal to recognize Serbia and Montenegro to continue to live in the joint state Yugoslavia, in the part that remained after the cessation of the separatist republics. This refusal is an absolute obstacle for any kind of a recognition of Macedonia by Yugoslavia," said the minister for foreign affairs of the FRY [Federal Republic of Yugoslavia] in his statement for the Sofia newspaper DUMA, reports MAKPRESS.

"We acknowledge the fact that it is independent," said the Yugoslav Minister [Jovanovic] and adds that his country "is interested in a swift solution to the problem between Macedonia and Greece."

According to Jovanovic "there are certain open issues in the relations between the FRY and Macedonia that require a minimal civilized effort by the Macedonian authorities so as to be solved." Among them are the equal treatment of the Serbs in Macedonia, who according to the Yugoslav Minister, "are discriminated in comparison to the Turks, Albanians, Vlachs, and other nationalities."

Jovanovic Discusses Georgian, Moldovan Visits

AU2706185695 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 27 Jun 95

[Statement by Foreign Minister Vladislav Jovanovic in aircraft returning him from Georgia and Moldova on 27 June—recorded]

[FBIS Translated Text] We have long since concluded that we need to cultivate friendly and comprehensive relations with all the republics of the former Soviet Union. In this respect, we have already realized numerous such contacts and have cemented [word indistinct] relations; with these two countries we have finished covering the southern part of the former Soviet Union; I would also add that we have effectively covered the European part as well.

These two countries are friendly countries, who, during the time of the Soviet Union, were considered to be (?more developed), with the potential to develop further as independent republics. What is important for us is that they are also spiritually close to us; they fully understand our policy, they support our justified demands for the lifting of the sanctions and the restitution of our rights in international organizations. Moreover, last but not least, our economies are highly complementary and the potential is practically being offered on a platter; once we have finished implementing what we have agreed, namely, the creation of a legal basis for the revival and further development of bilateral cooperation, what remains is to reap mutual economic and other benefits from this particular state of relations and cooperation.

Notes Readiness for Cooperation

LD2706220195 Belgrade TANJUG in English 1837 GMT 27 Jun 95

[FBIS Transcribed Text] Belgrade, June 27 (TANJUG)—Yugoslav Foreign Minister Vladislav Jovanovic said after returning to Belgrade Tuesday [27 June] from official visits to Moldova and Georgia that both countries had confirmed their readiness to restore and expand their cooperation with Yugoslavia.

The establishing of diplomatic ties with Georgia and the intensification of the recently established diplomatic relations with Moldova, accompanied by the publicity given to the Yugoslav delegation in both countries, have shown that the Federal Republic of Yugoslavia, as the country bearing continuity to the former Yugoslav Federation, is fully respected, Jovanovic said.

Jovanovic said his visits to Moldova and Georgia had taken place after similar visits to Armenia and Turkmenistan, where favorable atmosphere had also indicated that conditions existed for resuming political and economic ties.

Jovanovic described as significant the fact that officials from those countries were frequently visiting Yugoslavia and expressing understanding for Yugoslavia's stance on the Balkan crisis and its peace efforts.

The Moldovan and Georgian leaderships promised to fully back the demand by Yugoslavia and its neighbors that the anti-Yugoslav sanctions be lifted and Yugoslavia re-admitted to all international organizations, Jovanovic said. He said this was the main condition for a speedy and peaceful settlement of the crisis in the former Yugoslavia.

Myakotnykh Holds Talks on UN Cooperation

LD2706210595 Belgrade TANJUG Domestic Service in Serbo-Croatian 1347 GMT 27 Jun 95

[FBIS Translated Text] Belgrade, 27 Jun (TANJUG)—Yuriy Myakotnykh, an envoy of Yasushi Akashi, the special envoy of the UN secretary general, and coordinator for civilian affairs of the UN peacekeeping forces' office in Belgrade, had talks today on current questions of cooperation between the UN peacekeeping forces and

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the Yugoslav Government with Mile Pesut, secretary of the Yugoslav Government's Committee for Cooperation With the UN Peacekeeping Forces, the Federal Secretariat for Information announced.

The Russian diplomat, Myakotnykh, took over this post last week from Charles Qirudja, who, having completed his term of office, has taken up a new post at UN headquarters.

Myakotnykh held a senior post in the UN peacekeeping forces in the Republic of Serb Krajina last year. He has held diplomatic posts in Zaire, Italy, Malaysia, and Vietnam and was Russia's ambassador in Cambodia.

Defense Ministry Reorganization Discussed

LD2706202095 Belgrade TANJUG Domestic Service in Serbo-Croatian 1403 GMT 27 Jun 95

[FBIS Translated Text] Belgrade, 27 Jun (TANJUG)—The Supreme Defense Council held a session today in Belgrade. The session was chaired by Zoran Lilic, president of the Federal Republic of Yugoslavia.

At the session, a draft plan for reorganizing the Federal Ministry for Defense, the financing of the Yugoslav Army, and other matters within the competence of constitutional powers of the Supreme Defense Council were discussed, the military office of the president of the Federal Republic of Yugoslavia reports.

Apart from the members of the Supreme Defense Council, Serbian President Slobodan Milosevic, and Montenegrin President Momir Bulatovic, the session was also attended by Federal Prime Minister Radoje Kontic, Federal Defense Minister Pavle Bulatovic, and Col. Gen. Momcilo Perisic, chief of General Staff of the Yugoslav Army.

Defense Minister Views Military Doctrine

AU2606131695 Belgrade VOJSKA in Serbo-Croatian 15 Jun 95 pp 6-8

[Interview with Defense Minister Pavle Bulatovic by Milorad Pantelic; place and date not given: "Powerful Defense Is a Condition for Peace"]

[FBIS Translated Text] [Pantelic] Minister Bulatovic, could you please tell us how far we have come in the construction of the defense system, and which are the important problems we have to face in that sphere?

[Bulatovic] Your readers certainly know that the construction of the country's defense system encompasses an entire complex of measures and institutions: the formulation of doctrine documents, the establishment of peace and wartime armies, and elaborate defense preparations for the entire society. Besides, the character of the defense system depends on the dynamics of international and domestic changes in the society. Bearing in mind the radical changes that have occurred in the last few years, primarily the forceful secession of some republics from the Socialist Federal Republic of Yugoslavia and the bloody civil wars in some of them, the responsible structures of the Yugoslav state and army, immediately upon the constitution of Federal Republic of Yugoslavia, energetically started the development of a new, modern, strategic concept of defense.

We understood that the activities for the transformation of the Yugoslav Army were an urgent, serious, and extremely responsible process, aimed at achieving a complete reformation of the Yugoslav Army. That implied an intense normative, organizational, technical and personnel transformation of the army, which started with its depolitization. We embarked on that project, which demanded great knowledge, military know-how, and considerable material means, with the intention of conceptualizing and building the new defense system on the principles of competence, professionalism, and high efficiency. We also respected the basic strategic needs of the country's defense, the material and spiritual strength of the Serbian and Montenegrin people, and our peaceful foreign policy regarding our neighbors, Europe, and the whole world.

The realization of defense objectives and the preservation of vital state and national interests of the Serbian and Montenegrin people and of all the citizens of the Federal Republic of Yugoslavia, particularly in hard times like these, confirms the adequacy and strength of our defense system. At present, as well as in the past, there have always been different options and sources of threats to the safety of our country, from war in our immediate vicinity, various nonmilitary pressures, to open threats of aggression, we have preserved the peace, freedom, sovereignty, and territorial integrity of the Federal Republic of Yugoslavia. The trust in the readiness of the Yugoslav Army to fulfill its constitutional role, to respond to an attack and to prevent a strategic surprise, confirms that the accomplished level in the construction of our defense system and our defense potentials are in accord with the estimated dangers and our present capacities.

Of course, we cannot say that it is all over and that there are no problems in this sphere. The problems originate from the difficulties our country and society in general have been going through under the conditions of a complete international blockade, and they are primarily of a material nature.

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[Pantelic] Since you mention material problems, how does the restricted Army budget influence the defense of the country and the Yugoslav Army?

[Bulatovic] As is already known, the resources for the defense system, including the Yugoslav Army, are a part of the total resources needed to finance public services in the country. Only a share of the social product that is small enough as not to disturb the economy, particularly investment and development, can be apportioned for those purposes. Under the conditions in which our economy is functioning, with the limitations imposed on it through sanctions and with a structure suited to the previous state, 7.5 percent of the social product was earmarked for financing the defense system this year—at the time of the configuring of the Federal Budget, this amounted to 1.611 trillion dinars.

However, that is not enough to cover the basic defense needs, so one might say that this years restricted military budget reflects the economic potential of the country and not realistic needs. Therefore, in order to improve the general situation and to secure the necessary level of the defense potential of the country under the present conditions, an appropriate selection of priorities for the use of the approved resources has been made, based on current needs. We will have to give up some of the planned activities, and some programs will have to be postponed. Higher and more complex forms of training will be replaced by basic military training, and the programs for technical modernization will have to suffer great restrictions. Yet, with the means we already have, and with great, in the first place human efforts and sacrifice, the Yugoslav Army will maintain the achieved level of military and operative readiness.

By the way, I can say that the problems of finance dominate the work and decisionmaking of the state organs. Any progress in the economy and generally in the material potential of society will certainly have a positive influence on defense as well.

[Pantelic] As you have pointed out, the policy of peace is a permanent orientation of our country. What is the significance of a powerful defense regarding such a policy?

[Bulatovic] The policy of peace is one of the highest civilizing traditions of the human race, and conducting it in this region is a fundamental peace factor, not only for the Balkans, but for Europe as well. The peaceful orientation of the Federal Republic of Yugoslavia is permanent and primary. However, our commitment to peace and our support for the forces of peace must not question the existence of a strong defense and the ability of our Armed Forces to respond to aggression. Bearing in mind the fact that our country has no territorial pretensions toward any of our neighbors, I would say that it is committed to a strong defense, which has a decisive significance for our peaceful policy. That is confirmed by the entire history of human society, and particularly the history of our people.

That concept of preserving sovereignty and protecting freedom has also been made imperative by the tendencies in the international community. Without a strong defense, every peace effort lacks a material basis and is nothing but an unfounded doctrine bordering on illusions.

[Pantelic] The Federal Defense Ministry and the General Staff of the Yugoslav Army have common objectives and obligations regarding the defense of the country. How do you judge their cooperation?

[Bulatovic] Obligations, tasks, and responsibilities, just like the relationship between the Federal Defense Ministry and the General Staff of the Yugoslav Army are defined and determined by work toward the common goal. The Ministry and the Geneal Staff work separately, but also together, in the realization of their respective responsibilities. The methods are determined by the nature of the tasks and obligations, and I judge the cooperation to be very good and useful.

Since our experience in organizing and managing the system is not great, we constantly tend to acquire new, more efficient, and more rational working techniques. The importance of our goals and obligations has contributed to a relatively rapid adoption of a modern concept of defense, and all important decisions are made jointly by the General Staff and the Defense Ministry.

[Pantelic] Our country and the Yugoslav Army have great potential in the sphere of scientific work. How great is their importance for the needs of the country's defense?

[Bulatovic] What you have just said about our scientific potential is confirmed by the fact that 90 percent of the weapons and equipment manufactured in our factories are a result of our own research and development, and only one tenth of them are based on foreign licenses. The scientific work in the field of military technology is the responsibility of the institutions for research and development of the Yugoslav Army. In the first place, that is the Military-Technical Institute, which creates programs for research applied in various military fields as well as programs for the development of military equipment and arms.

Civilian scientific institutions, universities, the special purpose industry, and other factories also contribute a lot to the scientific work for the needs of the Yugoslav Army. The successful coordination and cooperation of

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that wide range of very good experts and scientists in the specific domain of scientific research and development work has resulted in the success of many important military projects that are of first class on a world scale. On the other hand, research and development in the field of military technology make a huge contribution to the general technical and economic development of the country and help reduce our technological dependence on the outside world.

Our strategic orientation is to continue contributing our utmost to the independence and general development of the Federal Republic of Yugoslavia, through engaging our own experts and our own potential in developing and equipping the Yugoslav Army. Therefore, in these hard times when the possibilities for the realization of new scientific and research projects have been considerably limited, we have to do everything to retain those experts who are of immeasurable value to the Yugoslav Army and to society in general.

[Pantelic] The development of the military industry also relates to this. Could some major changes be expected in that area?

[Bulatovic] Your question implies that you are thinking about the bad situation of our military industry. That has been caused by many factors. First of all, the breakup of the old Yugoslavia resulted in the breakup of the concept of military industry that had been created over 45 years. Since the facilities for the production of some complex weapons and equipment were, to a lesser or greater degree, situated in each of the former republics, their secession resulted in the disruption of this concept and in the blockade of the final producers, no matter where they were.

Half of the former military industry facilities remained on the territory of the Federal Republic of Yugoslavia. Some of those plants were designed and built to fit the needs of the previous state and of the Yugoslav People's Army [JNA], so that their capacities are far greater than the needs of the Yugoslav Army. When one bears in mind the limited material means of the Army caused by the economic blockade of our country, and the embargo on exports, then it is clear that the employment of the military industry capacities is, to put it mildly, insufficient.

That situation has imposed the need to reorientate many factories, or at least parts of them, to civil programs, that is, the needs of the market. Favorable preconditions for that exist, since those technologies are also suitable for use in civilian programs. Those firms that managed to do this earlier have fewer problems in this hard situation.

I would like to remind you that the military industry of the FRY now includes facilities with over 20,000 workers. Beside those firms, many other companies and hundreds of their partners take part in the production of weapons and military equipment. The Federal Defense Ministry took measures to replace the equipment that had been produced in the seceded republics, so we are now in a position to produce nearly all the equipment, both in terms of quantity and range, for the current needs of the Yugoslav Army. In its future development, our military industry faces the same problems that the entire economy of our country faces. This imposes the need for highly restrictive behavior in planning and constructing new facilities, in which we are trying to use the existing potentials of the country to the maximum, both in the military and in the civilian sector. New investments have only been planned for economically justified programs, and only in those fields which have essential significance for the defense of the country. The future development of the military industry will certainly depend most on the country's material potentials; our main support in realizing our development concept is in the resolute execution of the program for the economic recovery of the country.

[Pantelic] Nearly all the countries surrounding the FRY have decided either to join NATO or to cooperate closely with that alliance. What is our defense doctrine based on?

[Bulatovic] It is true that most countries of East and southeastern Europe, former members of the Warsaw Pact, signed the Partnership for Peace document, which concerns military and political cooperation with NATO. Some of those countries have expressed a wish to become full members of NATO, which is hardly likely in the near future. However, every country has the right to conduct an independent domestic and foreign policy if they do not endanger the security of their neighbors.

The defense doctrine of the FRY is founded on the basic principles determined in the Constitution and in the federal laws and other regulations of our state organs, and the objectives and principles of our defense policy, with which the public is well acquainted. The defense of our country is independent of all alliances or blocks. We rely on our own capacities and potentials, and that is the basic principle of our defense doctrine. Of course, that does not exclude the possibility of forming a military alliance in an imposed war, which would be based on convergent strategic interests, common military objectives, and the right to individual and collective self-defense guaranteed in the UN Charter. Our country will not enter any military alliance that has the goal of endangering the security of other states. The defense readiness of the FRY is an integral part of our

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struggle for the peace, security, stability, and prosperity of all countries of the region, Europe, and the world.

Daily Claims Milosevic To Replace Perisic

AU2606102395 Podgorica MONITOR in Serbo-Croatian 16 Jun 95 pp 12-13

[Article by Vladimir Jovanovic: "Court Guard on a Merry-Go-Round"]

[FBIS Translated Text] Since Slobodan Milosevic changed (many believe irrevocably) his policy on the rebel Serbs in Bosnia, high-ranking officers in the Yugoslav Army have been using every opportunity to show passive resistance to such a policy. They have not had the guts for any more vociferous protest, while such a situation early this spring suggested the existence of a conspiracy in dark, smoke-filled rooms at the General Staff headquarters. Milosevic became alarmed, and one of the troublemakers was removed: The fate of Ljubodrag Stojadinovic, in addition to being convenient for media reporting, also sent a message to [Colonel] General Perisic and his company, but subsequent events show that they did not receive it.

Gen. Perisic, who smokes too much and pretends to be an ascetic with his 50 kg weight, seems to have incurred Milosevic's permanent resentment when, in April, he supported the petition of retired and even some active high officers (only 200 of them) in which they expressed their dissatisfaction with the border on the Drina River. That the matter failed to meet with the Serbian president's understanding was shown by Zoran Lilic [FRY president] on 11 April on Topcider hill [Belgrade district], who delivered a speech at the Guard's Hall after he had watched exercises by the military police on a nearby drill ground. "The army cannot be judged by the behavior of individuals. We have such examples on a daily basis. Unfortunately, the initiators of such tendencies are often some former, and even current, members of the Yugoslav Army," Lilic pointed out on that occassion. He then delivered Milosevic's message to all those who hadn't even the slightest idea of what it was all about: "We have to prevent such people from damaging the reputation of the Army. Such behavior must be prevented by all available means, including even the removal of those people from the Yugoslav Army!"

However, the issue developed further. In late May, at the celebration of Air Force Day, Perisic said that only money and the army are working in the federal state. This was a rather explicit criticism—we know at whose expense—with a profound meaning and a clear goal. The statement, however, did not get much publicity—for easily understandable reasons—while, according to MONITOR sources, this deaf-and-dumb exchange of criticisms between Tolstoi Street and Knez Milos Street could now be ended by a new round of disciplinary and already traumatic retirements, perhaps as early as 16 June, that is, Army Day, or by the fall at the latest. That will show who was a troublemaker and a malcontent, and who was faithful or unfaithful to Milosevic.

So, for instance, the chairman of the Supreme Military Court has already been pensioned off for some reason. This was done hastily and following the not remotely harmless statement by Gen. Aleksandar Vasiljevic to MONITOR regarding army courts, but the (fatal) wave of retirements could affect officers in key command positions. Regarding all this, the question arises: Will the clean up start at the top, that is, with Gen. Perisic?

The situation with Perisic is extremely delicate and, basically, it can be painted solely in dark hues. In addition to all the chiefly political disagreements, Milosevic has a grudge against Perisic because of his humiliation of him on the occasion of the wreath laying at the Avala memorial on Republic Day on 28 March, when, instead of the Army orchestra, a recording of music by a group of recruits was played during the review of the honor guard, which, according to military circles, disgusted Milosevic.

After that, the second, larger group of retired and active officers, called communists by some, put into circulation some documents containing authentic testimonies and so-far unknown facts about Gen. Perisic's military campaign, that, according to the version, differ greatly from the version that the current chief of the General Staff of the Yugoslav Army presented to his superiors at the former Federal Secretariat of National Defense [SSNO]. The issue, I guess, following the logic of the previously made plan, follows on from the dissatisfied officers' petition. This means it is designed to support Milosevic, and the conflict with the nationalist officers is not free of ideological elements. In the documents, among other things, it is said that Gen. Perisic, during the blockade of the School of Ground Artillery in Zadar in 1991, cried and spread defeatism, which he later hushed up by removing the main witness to those difficult moments, a high officer of Macedonian nationality now living in Belgrade who was pensioned off later, of course, in accordance with the newly adopted national formula. The documents contain an extremely severe, expert critique of Perisic's conduct of military operations near Mostar, where he was the commander of the Bileca Corps and where, in late May 1992, some 270 km of front disintegrated under his commander.

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That is to say, resentment toward Gen. Perisic exists, and it seems the most serious candidate to succeed him is the commander of the Air Force, Major Gen. Ljubisa Velickovic. Actually, Velickovic took up his current command position in 1993, after Perisic himself rescued him from the anonymity of his post with the Federal Office for Flight Control (SUKL), where he had been stuck due to the disfavor of some former generals.

However, insofar as the strings and sense of secret actions in and about the military top brass can be understood, Gen. Velickovic is backed by the communist group of retired and active officers.

Milosevic himself was extremely satisfied with what he saw last fall at the Air Force maneuvers at the Centa training ground in Banat, and there are indications that the decision on who will be the future chief of the General Staff was made there. Besides, the information that Gen. Velickovic is a communist by conviction, which cannot be said in any way of Gen. Perisic, must have reached Milosevic.

That means that the issue has become dangerously complicated. The strategic defensive attitude of the military leadership toward Milosevic is not recent, and Gen. Perisic as well as some of his closest aides (including even at least one commander of a strategic army group) could turn out to be the latest victims of such a situation. The defensive attitude is the consequence of the power structure and the wrong political assessments made on 9 March 1991, but also of certain strategic-doctrinaire elements, since Gen. Kadijevic and the others adopted Milosevic's strategic principles of warfare for a greater Serbia in accordance with the famous slogan: "If we do not know how to work, we do know how to fight!" The Army first defended communism, and then Kostic's dead, rump Yugoslavia, and itself from staged scandals, while it is now defending whatever little dignity and officer's honor has remained from the humiliation to which Milosevic has put them.

On the other hand, the strategic concept of a blitz against the Vienna stable-men [as published] has failed. The Serbs, including Serbia, no longer have a strong military power that would enable them to enforce solutions or dictate conditions. This has just been experienced by Gen. Mile Mrksic, Perisic's aide, who went to Knin full of optimism. Last week, however, he was defeated by the Croats at Mt. Dinara and Mt. Sator. The mighty machinery that Mrksic commanded in the plains around Vukovar does not mean much in the Bosnian and Dalmatian highlands—there the man is always more important than machinery, the advantage in which lies with the Bosnian and Croatian side.

The generals in Belgrade react to such an outcome, nervously awaiting news from the front, which is becoming more and more unfavorable. On the operative level, things have gone downhill since the Bosnians wiped out the stronghold on what is perhaps the most easily defended elevation in the Balkans (Peak 691 on Mt. Ozren, called Vijenac) and, according to VECERNJE NOVOSTI, massacred 110 Serbian soldiers. The General Staff took that blow particularly badly, and they have been urging Milosevic to react, at least by an intervention in the northeast of Bosnia-Herzegovina, ever since.

It seems, however, that his response to such attempts by the General Staff is nothing but disdain. Milosevic has been systematically destroying the officer cadre structure and keeping the Army in a hopeless financial position.

According to the generals, in the past four years, he has mercilessly removed more that 300 officers, while some of them, like, for instance, [Veljko] Kadijevic or [Zivota] Panic, were even exposed to a dirty media campaign. What else can happen to Gen. Perisic?

The slackening of his loyalty will surely be punished, especially since he took the side of the rebel Serbs in Pale and Knin in their conflict with Milosevic. Milosevic wants to see an obedient officer who would make no excessive demands of a political or financial nature at the helm of the General Staff. Actually, it seems that, for the time being, Milosevic's concept of defense from a possible aggression from the outside relies upon the strategy of deterrence by missile systems that are aimed at the capitals of the neighboring countries and on armored units (around 900 tanks), while Kosovo has been put under the control of the real major military force in Serbia, the police.

That is Milosevic's pretorian guard and the guarantor of domestic peace, whose members are ready for anything. In such a situation, he does not feel it is really necessary to have an army general at the head of the General Staff, who could perhaps be too popular. It is a strange relation of forces and moods, but only at first sight. The Army could now become a hotbed of sympathy for the Serbian (nationalist) opposition and a counterbalance to the police in the balance of naked force in Serbia.

For that reason, Milosevic, the uncrowned Serbian caesar, is stifling any initiative by the General Staff, and is using cadre purges to forcefully redirect their thinking, which boils down to imposing unthinking obedience. Thus, Milosevic, together with his police, remains at the top, to continue to wallow in power over obedient Serbia....

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Serbia

Political Parties View EU Summit in Cannes

LD2706223895 Belgrade TANJUG in English 2100 GMT 27 Jun 95

[FBIS Transcribed Text] Belgrade, June 27 (TANJUG)—Serbia's opposition Renewal Movement said on Tuesday that the European Union's summit in Cannes, France, had taken reasonable conclusions as regards Bosnia, in keeping with the plan put forth by the five-state Contact Group.

"That side in Bosnia which rejects Europe's demands for an immediate end to war and opening of talks will assume the heavy burden of responsibility and international condemnation," the Movement's spokesman Ivan Kovacevic said at a news conference.

Dusan Mihajlovic, who heads the Serbian coalition New Democracy Party, told reporters in Kragujevac, central Serbia, that current fighting in Bosnia was the last twitching of those who opposed a peaceful settlement and the Contact Group's plan.

The non-parliamentary League of Communists-Movement for Yugoslavia said that, by applying double standards to the former Yugoslavia, the United Nations had made it possible for extremists on all sides to justify their continuing the war.

The United Nations' departure from its basic principles, especially in the past ten years or so, can best be seen in the case of the crisis in the former Yugoslavia, chairman of the party's board for Serbia, Goran Latinovic, said at a press conference.

Latinovic said that the United Nations had become an outlet of the United States.

Sombor Military Airport Converts to Civilian

AU2706165595 Novi Sad DNEVNIK in Serbo-Croatian 26 Jun 95 p 4

[Article by S. Petrovic: "The Shortest Road to Europe"]

[FBIS Translated Excerpt] It has been learned, and there have been many rumors, that the construction work and opening of a civilian airport in Sombor is under way. However, the residents of Sombor are not exactly "clear" to what extent all this is true and to what extent these are only rumors (they learned a bitter lesson 15 years ago when, instead of Sombor, it was Osijek that was chosen to get the airport).

Nemanja Zivadinovic, director of the Sombor Airport Under Construction Public Enterprise, says: "Considering that a military airport already exists in Sombor, it was not difficult to come up with the idea of adapting it and constructing an airport for passenger and civilian traffic. The existing runway is 1,800 meters long and 30 meters wide. These dimensions suit the ATP-72 type of aircraft that can carry 66 passengers (Yugoslav Air Transport currently has three such aircraft). The talks about this idea have been conducted with the military, the Federal Defense Ministry, and the director general of the Yugoslav Air Transport." [passage omitted]

Montenegro

Djukanovic, Public Prosecutors on Rising Crime

AU2606170195 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 26 Jun 95

[Report by Miodrag Vukovic]

[FBIS Translated Excerpt] There are no more important tasks than to ensure peace, the safety of citizens, and fight against rising crime. This was stated by Montenegrin Prime Minister Milo Djukanovic at a meeting of Montenegrin public prosecutors. Miodrag Vukovic reports:

[Vukovic] Crime was much lower in Montenegro last year than in 1993, but was still much higher than before the war. This would be a brief assessment of what Republican Public Prosecutor Vlado Susovic said during a meeting with his communal colleagues. Montenegrin Prime Minister Milo Djukanovic also attended and took part in the work of the meeting.

All forms of crime, corporate, juvenile, the misappropriation of social property, as well as new forms of crime such as drug abuse, alcoholism, arms dealing, and a sudden rise in the number of unknown perpetrators of crimes are growing so fast that they require extra work by the local Ministry of Internal Affairs, the Public Prosecutor's Office, and the judiciary.

Speaking about these acts of crime, the president of the Republican Public Prosecutor's Offices presented some information publicly for the first time. We will single out the following:

Last year, criminal charges were filed against 8,564 persons. The number of unknown perpetrators of criminal acts rose to 21,125 persons. The number of charges filed against those who tried to break up the territory of Montenegro and create the so-called Republic of Sandzak was 21. Another 60 persons, who are at still large, are being sought for these same activities.

What is worrying, however, is corporate crime. In this context, the republican public prosecutor also mentioned some Montenegrin banks that took all foreign currency funds out of the country immediately after the blockade

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without consulting the government and other state bodies. [passage omitted]

Kosovo

Chinese State Security Minister Visits

LD2206194995 Belgrade TANJUG Domestic Service in Serbo-Croatian 1346 GMT 22 Jun 95

[FBIS Translated Text] Pristina, 22 Jun (TANJUG)—Jia Chunwang, minister of state security of the People's Republic of China, paid a visit to Kosovo and Metohija.

Accompanied by his host, Vukasin Jokanovic, Yugoslav federal secretary of internal affairs, Chunwang paid a visit to Pristina and Pec and toured a number of Serb monuments and historical sites, it was announced in Pristina.

Hyseni: Serb Killing of Albanian Outrageous

AU2606070395 Pristina Kosova Daily Report in English No. 643, 23 Jun 95

[FBIS Transcribed Text] The Kosovo president's [Ibrahim Rugova] trip to the United States, where he met with top State Department officials and Congress leaders, is evidence to the permanent preoccupation of the American Administration with Kosovo and its issue, LDK [Democratic League of Kosovo] Vice Chairman Hydajet Hyseni said, noting that this constitutes a further affirmation of the political course for the peaceful settlement of the Kosovo issue, advocated by president of the Republic of Kosovo.

The LDK vice chairman hailed the linkage of international sanctions on Serbia with the settlement of Kosovo issue. He praised also the debate on Kosovo held a few days ago at the European Parliament. Mr. Hydajet Hyseni noted that the Serbian state-sponsored violence and terror have continued unabated against Kosovo and the Albanians. He cited examples of diverse routine forms of repressive practices against the Albanians. "We condemn the unjustifiable killing by a Serb soldateska [as received] member of the 10-year-old Albanian boy, Isa Berisha, a few days ago at Hani i Elezit," LDK vice chairman said, noting that this is outrageous. The young boy is the ninth Albanian victim of Serbian forces' hand so far this year, he said.

Touching on the ongoing staged trials against the former Kosovo police personnel, Hydajet Hyseni remarked: "Kosovo has not only been turned into a huge prison, but also a huge and bizarre courtroom." He praised the Amnesty International's appeal to pressurize the Serbian authorities on the plight of the Albanian defendants in these trials, but also the International Red Cross's activity towards observing the living conditions and the treatment of Albanian prisoners in the Serbian jails.

The maintaining of the huge Albanian-language educational system in Kosovo (276,000 elementary school pupils, 60 [as received] secondary school students, and over 15,000 university students, as well as a teaching staff of some 20,000) was cited by Hydajet Hyseni as a clear evidence that the people of Kosovo can run its own life, even under very harsh circumstances in which the Albanian school has found itself amid Serbian regime's crackdown.

LDK vice chairman Hydajet Hyseni termed as "old-fashioned, dangerous, and inconceivable" the ideas floated by some former communist Kosovo functionaries on the option of restoration of Kosovo autonomy as an alleged realistic solution. "The Republic of Kosovo is a reality, and even those who consider themselves 'realistic' should take it as a premise and a point of departure," he ended.

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